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## GROWING MOVEMENT AGAINST TNF STATIONING SEEN

Hamburg DER SPIEGEL in German 13 Apr 81 pp 17-22

[Article: "'There's an Explosion of Anxieties'"]

Text The FRG is seeing the growth of a new opposition that reaches far into the established parties: The motley throng composed of socialists and Christians, Greens and communists, trade unionists and intellectuals is unifying resistance to NATO's weapons modernization. The protest movement could very soon cause the coalition to flounder.

For the first time since the "Down with Atomic Death!" appeal that was plastered on FRG billboards in March 1958, another peace movement is taking shape in Germany — supported, as at that time, by churchmen, scholars and media people, but reinforced today by environmentalists and women's and young people's groups and attended by sympathetic feelings that reach far into trade unions and the established parties.

The motley throng which hosts dozens of rival groups and initiatives of extremely different origins is unifying common resistance to the decision on weapons modernization. The two-part NATO decision is to the peace partisans what Brokdorf is to the opponents of nuclear power.

More than 20,000 people demonstrated a week ago last Saturday in Bonn against new medium-range weapons for Western Europe. Women's groups from various FRG cities settled down to a sit-in last Tuesday in front of the Defense Ministry while the Nuclear Planning Group was meeting inside.

The demonstrators, some of them with shaved heads and whitened faces, served notice to the men of "a stormy summer," with campaigns at the most varied places, "noisy and quiet, by day and by night."

In a period of less than 3 years, 15,300 Christians have joined the Protestant "Live Without Arms" campaign with this pledge: "We are prepared for the risks of unilateral steps toward disarmament" and "want to live now, today, without the protection of military arms."

Since November, nearly half a million citizens have signed the so-called Krefeld Appeal initiated by leftist intellectuals ("No Weapons Modernization on German Soil"). The goal of the campaign: To give Chancellor Helmut Schmidt a million signatures to take with him when he travels to Washington at the end of May.

The Greens, in an ironic reversal of the realities of defense policy, are calling for a "disarmament race"; the Federal Association of Citizens' Environmentalist Action Groups (BBU) is working on a catalog of criteria for detecting atomic weapons depots.

The protest movement is administering particularly severe jolts to Schmidt's Social Democrats. Increasing numbers of local associations and subdistricts are refusing to support the chancellor on the issue of weapons modernization.

At their Berlin party conference in December 1979, the majority of the party members had wrung from themselves a yes vote on the two-part resolution in the secret hope that they would be spared the unpleasant part. Meanwhile, the odds are dropping almost to zero that the West Germans can avoid the stationing of 108 Pershing II's and 96 cruise missiles. The party that can still hear Willy Brandt's words — to the effect that "more weapons" make "the world not safer, only poorer" — is feeling duped.

Harsh tones from America are adding to the Social Democrats' feelings of insecurity. In no event do they want to surrender what has gone to make up their success in Bonn for the past 10 years: detente toward the East.

The Schleswig-Holstein state SPD organization is demanding that European disarmament initiatives be used to refloat the policy of detente. The Middle-Rhine district party conference left itself a loophole to get around the constraint of weapons modernization: If the American-Soviet negotiations fail, the FRG government should push for a revision of the resolution.

And in the Dortmund subdistrict, the home of the working man's SPD, a delegate expressed this fear: "The weapons modernization resolution assures the United States of peace but increases the danger of war for Central Europe and for us."

One thing is already clear: Helmut Schmidt will have to fight for arms modernization all over again at the next federal party congress early in 1982 in Munich — and it is uncertain whether he will get a majority the way he did in Berlin.

"There's an explosion of anxieties in the country," says SPD Bundestag Deputy Hermann Scheer in describing the mood. Education Minister Bjoern Engholm brought this perception back to Bonn from ward meetings in his home town of Luebeck: "The people no longer understand the illogic: arm in order to disarm. Overkill, first strike, second strike — these things shock them; this absurdity is at variance with practical experience."

The politicians in Bonn are in fact unable to explain a fundamental contradiction to the citizenry: Everyone acknowledges the long-range goal to be disarmament, but all negotiations between the military blocs have resulted at best in the legal codification of the arms race.

In 1960, the United States and the Soviet Union together had 6,500 warheads for strategic weapons; today, after two treaties on limiting nuclear missiles, they have 15,000. Even if both superpowers tacitly abide by the text of the SALT II treaty, the number of warheads will increase to 23,000 over the next 5 years. At least 6,000 atomic weapons are stored in the densely populated Federal Republic — which

has thus become for NATO a gigantic atomic launching pad, and for the Warsaw Pact the primary atomic target.

Genscher's promise to the Bundestag 2 days after the Brussels NATO resolution on 12 December 1979 must have sounded like sheer mockery: "We are giving the political signal that the 1980's are to be made a decade of arms control."

The threatened Western arms buildup, intended by the socialist/liberal coalition as a club with which to bring the Soviets to the negotiating table, merely caused the Russians to force the tempo of their arms buildup as a precautionary measure. In the United States, in turn, the pace set by Moscow serves as evidence of the need for greater defense efforts — a vicious circle from which escape hardly seems possible.

It is understandable that in light of the normalcy of this absurdity "many a person is more afraid of the quantities of weapons already being stored here than of the fact that the Soviet Union has more than the West in the European theater" (Ehmke).

It almost seems as though many Germans today fear the policy of strength which the big brother in Washington is launching more than they do the imperialism of the oldsters' regime in Moscow.

The atomic anxiety now erupting is a reflex action in response to the obvious inability of the politicians to convert into deeds their protestations that they would like nothing better than disarmament. According to Erhard Eppler's analysis, the peace movement "is the desperate, and consequently not always rational, attempt by the grass roots to force the peace that can no longer be expected from above."

The all-party coalition of Bonn practitioners of realpolitik is reacting to the new extraparliamentary opposition in accordance with the tried and true formula: Pacifists are sometimes denounced as enemies of the constitution and Moscow's stooges and kept under strict surveillance by the ~~Federal Office for~~ Protection of the Constitution and the Federal Intelligence Service (BND); and sometimes they are dismissed as fools who, though men of good will, do not know anything. Says government spokesman Kurt Becker: "Defeatists, all of them."

In the EVANGELISCHE KOMMENTATOREN, Schmidt sneered at the church's advocacy of more morality in politics: "A naive spiritual ethic which basks in the conviction of approaching the future with decency of spirit and leaving the consequences that result to God, the master of history."

It was not until NATO made the decision to update its weaponry that many citizens became aware of how serious the crisis is with regard to Bonn's defense goals. Helmut Schmidt is increasingly hard put to prove his case when he seeks to convince his own party colleagues of the wisdom of the two-part resolution. He even resorts to Cold War rhetoric to keep his Social Democrats in line: He evokes the red peril. Over and over again he enjoins the cabinet and parliamentary group: "There is a threat to us. There's no help for anyone who doesn't see that."

Although there is no question that the Soviet Union has a lead in land-based medium-range missiles — NATO has 18 French missiles, but "nothing else comparable" (Schmidt), to set against 200 Russian SS-20's and 400 SS-4's and SS-5's — the imbalance is not nearly so lopsided as the chancellor alleges it to be.

That is to say, heretofore the official tenet of the West's strategic unity has been the one that says the United States is resolved to counter any atomic attack on Western Europe with a counterstrike using its intercontinental potential.

If this U.S. nuclear guarantee for Europe still exists, the global balance between the superpowers is sufficient. A special European balance would not be necessary. The credibility of the deterrent depends not upon numerical parity in weapons, but solely upon the capability for striking back if the need should arise.

It may be that Schmidt has doubts about whether the Americans are truly prepared to risk the destruction of their own cities in defense of Europe. But even if the United States should hesitate to open up its intercontinental arsenals, NATO would not be defenseless in the event of a surprise Soviet attack on Western Europe. It would still have 400 warheads positioned on submarines for the counterstrike — 5,000 times the explosive effect of the Hiroshima bomb.

Parallel with efforts to refine rocket technology, both superpowers are readying plans on how atomic war may be waged and won with new, accurate weapons. Just a short while ago the theory in Washington was that there would be no atomic war because no one could win it. Now Secretary of State Alexander Haig makes a critical distinction: "Even if you want to prevent nuclear war, you have to be armed in such a way that you can win it."

But an atomic war can be "won" only if a well-aimed first strike succeeds in disarming the enemy, in taking away his capability for a retaliatory atomic strike.

The age of the atomic stalemate could end. The balance of terror, which guaranteed the aggressor's own demise — via the victim's counterstrike capability — and which, in an apparent paradox, first made possible the policy of detente between East and West, could soon become undone.

Once again, as in the 1950's, the goal being sought by Washington and Moscow alike is no longer parity but superiority. There is an increasing danger that the potentials for atomic annihilation could lose their function as means of political pressure and become weapons again, weapons actually intended to be used militarily.

But if atomic war becomes conceivable again, then it is only logical that the two superpowers will be endeavoring to keep regional conflicts from turning at once into the ultimate conflict. It is only in this context that the massing of arms on both sides of the boundary between worlds in Europe makes sense.

Though Soviet propaganda experts may assert that the first American missile fired from Western Europe against the Soviet Union would force unleash the Soviet retaliatory strike against the United States, as a leading power — there is also logic to be found in the theory that the Russians are also interested in "shifting the risks of a (nuclear) war to the respective regions of conflict in Europe and the Persian Gulf," as peace researcher Alfred Mechtersheimer claims.

The CSU member and reserve lieutenant-colonel goes on to say this: "It is not only the new American medium-range missiles for Western Europe that are instruments for regionalizing the threat of war, but also the SS-20 missiles which among others are aimed at Western Europe."

### Is Mechtersheimer seeing phantoms?

On 30 March in Paris, SPD Chairman Willy Brandt commented as follows to leading representatives of Social Democratic parties in the EC on Brezhnev's offer of a summit meeting with Reagan: "To be sure, we as Europeans will have to follow the situation closely and look out for our own interests whenever a global bipolarization is indicated. Especially if a Europeanization of the threat of atomic war should become more likely."

Thus, the hopes of all those who still wish to save detente are focusing on the offer of negotiation to which NATO committed itself in December 1979.

Nevertheless, there is not much to hope for from that quarter. Though in late summer or fall the Reagan administration might come around to the idea of beginning talks with the Soviets, many Europeans fear that the Americans have little interest in actually arriving at conclusions and reducing the medium-range nuclear potential in East and West.

Bonn's military men long ago began the so-called siting, the construction of emplacements and bunkers for the Pershing II and cruise missiles that will not be ready until the end of 1983.

Helmut Schmidt and Egon Bahr engaged in a sharp dispute last November over this premature zeal. In a meeting of the Federal Security Council the former SPD business manager showed the chancellor that data compiled by Defense Minister Apel indicated it would take only 6 months to complete the siting work, that the operation was thus premature. Bahr warned that such action could only fuel resistance to the two-part resolution within the SPD.

Though Herbert Wehner, head of the SPD group in parliament, did avoid directly opposing Schmidt, it was clear to all participants in the meeting that he shared Bahr's objections. The chancellor, however, under pressure from the Americans and their advocate Genscher, decided: We're going to do it anyway.

Meanwhile, even before the dialogue of the superpowers has begun, prospects for results have dwindled further. For a while, Schmidt was willing to be satisfied with a substantial "reduction" of the SS-20's without specifying numbers. Such an act was supposed to make it unnecessary to station any of the new weapons in Western Europe.

The chancellor was prepared to concede a certain advantage to the Russians in the area of medium-range weapons, one that would be counterbalanced by Western superiority in other spheres.

In the meantime however, Schmidt, his resolve shaken by American doubts about Bonn's loyalty to the alliance, returned once more to the formula of his partner Genscher: Only if the Russians dismantled all of their SS-20's would the West not need to put in any new weapons. Said Schmidt in the SUDDEUTSCHE ZEITUNG: "If the Soviets were to reduce it all to zero, there is absolutely no question that not a single additional weapon would have to be stationed here in the West."

Notwithstanding, negotiations still have their value for tactician Genscher, even if nothing comes of them. He calculates the situation this way: Once the dialog between Americans and Soviets gets under way again, those who oppose the two-part resolution will be easily placated. "It will be like it is with nuclear energy; the longer the debate goes on, the sooner the indignation begins to wane."

But should this be a miscalculation, as may be expected, then the situation for the SPD chancellor will become even more difficult.

Security policy has long since ceased to be Helmut Schmidt's sole concern. He wants to influence U.S. foreign policy as long as he can, and this policy has still not been permanently set. The head of government has been warning his fellow party members that an open dispute with Washington would take this opportunity away from him.

Schmidt is convinced that if Bonn rejects the arms buildup the economic and military consequences would be fatal for the FRG: the disintegration of NATO, isolation of the Germans in Europe, withdrawal of the American security guarantee -- in the case of oil supplies from the Persian Gulf region, for instance.

It would probably also be all over for Chancellor Schmidt in that event. When asked a week ago Monday whether the socialist/liberal coalition would break up if the Social Democrats back away from the NATO resolution, Genscher gave this reply: "Yes, definitely."

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## DEALING WITH PROBLEM OF 'FLEXIBLE RESPONSE' BY FRANCE

Paris DEFENSE NATIONALE in French Mar 81 pp 85-91

[Article by Jacques-Marie Denis]

[Text] Is a strategy of "graduated response" or, as some say, "adapted response"--which is probably a better translation of the English term "flexible response"--possible or desirable for France? Jacques-Marie Denis seeks to answer this question in this article. He first mentions General de Gaulle's rejection of such a strategy because, in the hands of the United States, it would tend to transform Europe into a nuclear battlefield. For that reason a truly national means of deterrence is required. But isn't our best protection the uncertainty hovering over the way in which France would commit its military resources?

In some of today's political programs, and in some comments made abroad about our defense programs, we can find the idea that France should decide or perhaps has already decided to acquire a flexible response capability. Such a capability, in case of a major conflict in Europe, would enable France to take part in the battle, using nuclear weapons. To do so, France would have a range of weapons and options available, enabling it to respond to a threat whose parameters are constantly growing more and more complex, with the appearance of weapon systems such as the SS-20, enabling the enemy to consider "pre-emptive and disarming strikes." And some people may even be dreaming of a corresponding diversification of the French forces to meet an entire range of hypothetical situations. As the nuclear protection guaranteed so far by the United States may eventually be found to be inadequate or less credible, couldn't we imagine our country rising to the dignity of replacing America, if not quantitatively, then at least qualitatively?

Let us look at a few facts.

1. When General de Gaulle decided in 1966 to announce the withdrawal of France from the integrated military organization, there were of course political reasons for this, reasons which everyone knows. But it seems there was also another reason, which has been to some extent forgotten by the historians: the distrust and serious doubts he had about the prospects opened up by the "so-called flexible response strategy," which was to some extent invented by General Maxwell Taylor and later imposed on the alliance.

This distrust came from the observation that President Kennedy had adopted this new course for U.S. doctrine after an evolution in the Soviet arsenal, which gave the USSR the capability to strike American territory directly (the Sputnik launch in 1957).

This potential "desanctuarization" of the territory of the United States thus made the decision to use atomic weapons much less easy than in the days when the United States had surrounded the USSR with its strike weapons based both in America (the SAC bombers) and in Europe or North Africa, without the U.S. population having to run any risk. At the time of the American sanctuary, the Republican administration was quick to think in terms of "massive and indiscriminate reprisals" against any Soviet attack affecting American interests in the world, including in Europe. For that reason the United States was not too reluctant to consider a certain form of nuclear cooperation with its European allies (projects for a landbased multilateral force). But the succeeding Democratic administration, because of Soviet advances in strategic arms, came to think in completely different terms, that is, in terms of controlling nuclear escalation. A number of consequences came from this. First of all, it was considered appropriate to begin with the USSR a global dialogue in order to avoid the worst, and negotiations on the non-dissemination of nuclear weapons came to serve as a first test in the search for a minimum of shared interests between Washington and Moscow. This was especially easy to define as it was to be expressed by obligations affecting primarily third parties. Secondly, the United States had to make sure that within the Alliance control of nuclear weapons was sufficiently well organized, both in concept and in terms of decision-making procedures, so that Washington could be sure of holding the key needed to cross the nuclear threshold.

So Mr McNamara, the U.S. secretary of defense, told the NATO ministers meeting in Athens in May 1962 of the desire to eventually reach an entirely centralized form of control, which would consequently be an American form of control, of nuclear weapons. It was necessary to avoid going immediately to extremes in a nuclear response, so plans had to be made for a flexible response, depending on the level of the attack in Europe, going first through a strong conventional defense--avoiding for as long as possible stepping over the nuclear threshold--then through several phases of nuclear

escalation. From this concept came a complete reorganization of the western military system, which was called a "forward defense." The allied forces would go to the borders of the socialist countries in order to be able to halt a possible Soviet thrust as quickly as possible by conventional weapons, while nuclear forces would to some extent be held in reserve. The third consequence drawn by President Kennedy's military advisers was that it was better to avoid proliferation even within the Alliance, so that the control of escalation by the United States would not be distorted by any "trigger" action on the part of one of its allies, and the process of nondissemination would be assured.

There is no other explanation for the hostility of the United States to the start of the French strike force. In the case of Great Britain, the transfer of technology required for the launch of four Polaris nuclear submarines was handled by the coordination of NATO's strike plans, which meant American plans, with those of England (the Nassau accords of 1962). At the same time, the old project of associating the allies in nuclear joint production or joint management systems got lost in the shuffle, or rather in the ups and downs of the multilateral force and in the developments which led to the creation of NATO's Nuclear Planning Group.

Witnessing this evolution, General de Gaulle very logically concluded in 1963 that, "because the Russians also now have the capability to destroy the universe, including the new continent, it is quite natural for America to view its own survival as the paramount objective of any possible conflict, and not consider the moment, the degree, and the methods of its nuclear intervention for the defense of other regions, particularly of Europe, except as a function of this natural and overriding necessity."

Concerning the operational consequences of the new doctrine, the French government publicly revealed its doubts in a speech given by the armed forces chief of staff on 26 June 1964, published the following month in the REVUE DE DEFENSE NATIONALE. NATO's conventional defenses ran the danger of becoming inadequate when facing an enemy superior in numbers, an enemy that would not fall back because of surprise or in the case of its opponent initiating hostilities. A tactical nuclear defense would tend to transform Europe into a nuclear battlefield without involving the territory of the two great powers. If, said General Ailleret, the methods entailing the replacement of conventional defenses and nuclear defensive battle are not satisfactory for Europe, it is quite clear--from the European point of view--that we must return to the method of an immediate strategic action which, in case of aggression, consists of destroying the roots of the aggression and its potential to support itself by means of strategic nuclear bombing aimed against the potential of the country which has begun the aggression, in order to force the

aggressor to halt its attack, and to complete this action by a battle whose purpose would simply be to absorb and destroy the energy of the mass of aggression which could have been unleashed and to destroy this force and to push it back beyond its starting bases. In short, we felt that in the case of a major aggression against Europe, the only strategy capable of defending Europe effectively against an invasion was the strategy of an immediate response directed against the aggressor's potential, using the most powerful weapons available.

2. Is the "flexible response" available to the United States for the protection of Europe still credible today? At first glance, some people might have doubts--and probably have felt doubts already--in observing that the rise of the USSR to parity in strategic systems has exercised a sort of paralyzing effect on the upper echelon of the American response, and has made the imbalances at sub-strategic levels even more serious, both in nuclear battle arms in Europe and in the ratio of conventional forces. But three types of recovery measures, to be examined together, may modify this perception.

First of all, the development of NATO's long-term defense plan, adopted in 1978 by the heads of state and heads of government of the integrated military organization--this was still about 10 years after efforts should have been begun--should be able to reinforce allied conventional capabilities in some decisive areas: the improvement of troop reinforcement capabilities from the United States; strengthening of national reserves; naval improvements; improved integration and performances in air defense; improvement of command and control; and pre-stationing of equipment.

Next, the modernization of the American theater weapons, scheduled by the decision of our allies on 12 November 1979, has a very special significance since the deployment of 464 Cruise missiles and 108 Pershing II missiles, scheduled to start in 1983, will make possible a "desanctuarization" of the Soviet Union from European territory. Then the rear echelons of its reinforcement units could be threatened; this should help to deter the Soviet Union from thinking that it could, in support of a conventional attack, threaten with impunity NATO's more traditional response resources with pre-emptive strikes. It is interesting to note this adaptation of flexible response since, in relation to the schema described by General Ailleret, the geographic handicap suffered by the Alliance is here compensated by the possibility of an attack against the USSR from Europe, as at the time of deployment of the Thor and Jupiter missiles, designed in a conceptual framework preceding the flexible response concept.

Then, we can not ignore the impact of presidential directive number 59 which announced, or rather codified the American strike plans by threatening the USSR with measured punitive measures against its forces and against its political and military commands, in the case of limited attacks aimed against American interests, in order to halt a conflict before resorting to mutual assured destruction (antipopulation and antieconomic destruction). The fact that the absorption of some strikes may be accepted by the United States as a possibility breaks with the concepts of the "sanctuarization" of U.S. territory which prevailed during the Kennedy administration. This undeniably makes more options available to the president of the United States, in support of substrategic options which may aid in the protection of Europe.

3. Now that we have discussed the historic background and the present situation of flexible response, can we claim that a French type of graduated response would be possible or necessary?

Concerning its possibility, we should first of all mention that France's limited financial resources will not allow France to manufacture all types of nuclear weapons at the same time, and there is a problem with the optimization of choices involved in the maintenance or reinforcement of the deterrent effect, resulting from the existence of the strategic nuclear force. Moreover, to the quantitative problems are added qualitative problems since, because of technological advances in the enemy's strategic defenses, adaptations of the force are needed both in the area of warhead penetration and in warhead survival.

In the second place, it is disturbing to see in the literature on this topic American-style reasoning being applied to France. The territory of France is by no means as vast as the territory of the United States and it can not "absorb" the inevitable strikes which would result from a graduated nuclear battle, in other words, a long battle, which might be fought in Europe. The advocates of this concept should think about the reality of the "clean" or "surgical" nature of these limited nuclear strikes on French territory. Military infrastructures here are so closely enmeshed with civilian infrastructures that it would seem hard to avoid collateral damages. And at least until technology evolves more decisively, this should suggest that it would be better to think in terms of deterrence rather than in terms of graduated use.

This deterrence can only be preserved by continuing to increase the magnitude of the risks run by an opponent who, by attacking our territory with nuclear weapons, would then be exposed, as the president of the republic pointed out in his press conference on 26 June 1980, to reprisals. These reprisals must continue to be such that the damage suffered by the enemy would be disproportionate to what is at stake.

The heart of national security lies in the maintenance of this disproportion.

Does this mean, as some "Europeanists" or "Atlanticians" claim, that by continuing to pursue an effort oriented in this direction, France would not hold its proper place within the Alliance? If we follow them in this reasoning, it would mean disregarding one elementary observation: the very existence of the French nuclear forces, and especially the fact that these forces obey the independent authority of the president of France--constitutes in itself an element of uncertainty for the potential adversary; this is indeed worth a contribution that would essentially be based on tactical armaments. This phenomenon was recognized in the Ottawa declaration of 1974. We should also add that by refraining from defining in advance the hypotheses of use, while still indicating to the enemy that he would be exposed to a "cluster of risks, one of which would be fatal," the French government is further multiplying the uncertainties which lie at the heart of the credibility of deterrence.

In one of those paradoxes of which history is full, it is by no means absurd to conclude that the decisions made by France in 1966, and the pursuit of its strategic program, have helped, because of their very effectiveness, to strengthen the overall deterrence of the Alliance. If only for that reason, the original French defense effort would deserve praise from those who, eager to identify with or to follow the variations of American public opinion, were unable at the proper time to measure the limits of NATO's flexible response, and who affect to doubt its efficacy at the very time when attempts are being made to make it credible once again.

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CSO: 3100

## REVIEW OF NEW BOOKS ON STRATEGIC NUCLEAR DETERRENCE CONCEPTS

Paris LE MONDE in French 26 Feb 81 pp 1-2

[Article by Michel Tatu: "Strategists and Counterstrategists"]

[Text] Must we view all men and their rulers as reasonable and perfectible beings whom a sound lesson in ethics will put back on the right path? Or, on the contrary, must we accept them for what they have always been, and go along with their petty selfish motives in an effort to make the best possible use of an imperfect system? In other words, is peace obtained through harmony and disarmament or by the equilibrium of forces and controlled antagonisms? Through the Sermon on the Mount or through Machiavelli?

The debate between "strategists" and "counterstrategists" has almost always ultimately favored the former. In this era of Brezhnev and Reagan, the counterstrategists are even further from emerging victorious than ever before. Nevertheless, their voice is necessary, not only to enlighten us on the chilling barrenness of the dark arena of reasons of state, but also to warn us and if necessary, simply bring the strategists to their senses.

Pierre Sudreau is one such voice. His book "Enchainement" (Enchaining), published in 1967, was described by Pierre Vianeson-Ponte as an "anguished cry" at mankind's folly and the arms race in particular. This cry has become more strident with "La Strategie de L'Absurde,"<sup>(1)</sup> his recent book which reiterates the main points made in his previous book and supplements them with new and even more apocalyptic demonstrations that are now already out-of-date.

For instance, on the basis of figures published by the Stockholm International Peace Research Institute (SIPRI), Sudreau estimated that arms expenditures throughout the world totaled 410 billion dollars in 1978. Yet a new estimate made since then by the U. S. Arms Control and Disarmament Agency sets the total for that year at 480 billion, and this figure is expected to climb to nearly 600 billion dollars in 1981. But we will not find fault with the author over such minor points. Sudreau's main point is that "fear seems to rule the world" and that the Northern Hemisphere in particular is "obsessed with war, seeking either to prepare for it or to avoid it." Under these conditions, the strategy of spheres of influence and the balance of terror, strictly conceivable after Yalta, "has become totally absurd in today's world." Or furthermore, "it is impossible to follow the logic of armament without utterly condemning it."

Sudreau, a member of the governmental majority, does not, however, go so far as to advocate unilateral disarmament. Such a posture is impossible "as long as the great powers have not established a global, organized, and seriously monitored system of detente." He does rightly advocate organization of a "people's defense" to complement nuclear deterrence. For everything else, he relies on Giscard d'Estaing and Helmut Schmidt to plead the cause of conciliation and dialogue, hoping that Europe will strive to "disarm mistrust," to "mitigate and then dismantle the machinery of East-West confrontation."

A noble objective, but one that will continue to run foul of the harsh realities for a long time to come. While it does take two to make peace, it takes only one to start a war. What can be done if one or more powers do not believe in the "weapons of peace" and rely solely on force to further their interests? Doesn't their logic obtrude itself on the other powers, even on those who would prefer to rely on trade and cultural influence? Yet Sudreau's approach has the effect of putting everyone on more or less the same footing, starting, of course, with the superpowers. Admittedly he does acknowledge that the USSR "has built the world's largest army," but "extremists on both sides," those who denounce Moscow's "destabilizing insatiable craving for power" and "American imperialism's policy of encirclement," are equally dismissed as being both right and wrong at the same time.

It is doubtful, however, that a man like Carter initiated his well-known arms program--in violation of his campaign promises and his initial decisions made in 1977--solely under the pressure of special interest groups and lobbies, and not because the spectacle of the Soviet arms build-up compelled everyone's recognition, including that of a pacifist "born-again Christian" like him. We would like to believe, as Pierre Sudreau does, that "Soviet leaders would certainly not be sorry to lower the rate of military expenditures and transfer increased financial resources into innovative investments." Yet those leaders did not seize the opportunity detente offered them in this regard. Quite the contrary, the years of detente were also the years of their greatest arms build-up in all directions, including in that very same Europe which, at Helsinki, had recognized their most questionable conquests.

#### "To Equal Moscow"

Like the "counterstrategists," the strategists, or, more simply, the specialists in East-West relations, view the excesses of the arms race as aberrant. But they do feel there must definitely be reasons for such excesses, reasons that are not all due to some equally shared human folly. The 25 authors of the latest study published by the French Institute of International Relations, "La Securite de L'Europe dans les Annees 80" [Europe's Security in the 1980's]<sup>(2)</sup>, analyzed the subject in depth. Two of the authors, Jean Laloy and Richard Burt, consider the arms race to be an imposed necessity. Jean Laloy argues that "there is less and less proof that we can rely on 'the weapons of peace,' on making the Bolsheviks tractable by means of trade and exchanges." Our former colleague Richard Burt, recently promoted to head the Department of State's Bureau of Politico-Military Affairs, argues that "the Soviet Union's increasing nuclear and conventional capabilities no longer permit NATO to choose between deterrence and detente.... There seems to be no other choice than to equal Moscow in all fields."

A few "doves" do, however, try to interpose their views. For instance, Gloria Duffy, an American professor, presents a convincing argument in favor of the ALT II treaty. Yet she weakens her demonstration by focusing her discussion on the vagaries of public opinion in the United States and the blunders of the American Government, whereas at least as much attention should be given to Soviet actions, to Moscow's proclaimed ideology and power structures. Is it by chance that while Western political economists and other "Washingtonologists" are divided, depending on their inclination or interest, into hawks and doves, into critics or praisers of the military-industrial complex, Sovietologists, on the other hand, almost unanimously side with the hawks? A visceral reaction perhaps, but one that is not thereby necessarily quick and short-lived.

With its whole arsenal of atomic and other weapons, with its determination, ruses, and brutal or subtle pressures serving the lust for power, strategy thus has halcyon days ahead, just as it has had such days ever since the beginning of time. Exploring strategy's roots will definitely help us understand present-day problems.

A useful aid, in this connection, is the Berger-Levrault publishing firm's "Strategie" series of books edited by Gerard Challand. In addition to drawing from the most modern publications, such as its translation of the lastest edition of STRATEGIC SURVEY published by the London International Institute for Strategic Studies, the Strategie series also revives some lesser-known works of the great masters of the past.

One such highly interesting book is the translation of "The Makers of Modern Strategy" by Edward Mead Earle, an American.(3) This study was first published some 40 years ago and its recent French translation includes a preface by Raymond Aron. Everyone in France has heard of Machiavelli and Clausewitz, but who is familiar with Henri Jomini, a Swiss who was one of Napoleon's generals and later a general in the Czar's army, a man who may be considered one of the first true theoreticians of military strategy? It is in fact, within him that his biographers found the qualities required for such a theoretician, qualities Jomini shared with Montesquieu: "A passion for generalization and systematization, tempered by respect for reality and a broad knowledge of the pertinent facts, conservative in character, and searching for a tranquil rather than a perfect world."

#### Effectiveness of "Abstract" War

This may not be very stirring, but we must admit that peace would be better ensured in our times if these qualities were more prevalent. Indeed, ever since the shift to mass armies, a principle established by Napoleon, and even more so, ever since the mass terror introduced by nuclear weapons, it is, more than ever, up to theoreticians--and the best "armed" ones, so to speak--to remind us that the purpose of war is not to destroy but to break the enemy's will. Consequently an "abstract" war is just as effective as a concrete war the moment that purpose is achieved. As Clausewitz once wrote: "Deciding the issue by force of arms is for all combat operations, large or small, comparable to what cash payment is for a business transaction."

In other words, we can do without such a decision. Isn't the entire machinery of deterrence based on this established fact?

#### FOOTNOTES

1. "La Strategie de l'Absurde," Plon, 236 pages, approximately 50 francs.
2. "La Securite de l'Europe Dans les Annees 80" [Europe's Security in the 1980's], 415 pages, published by Economica for the IFRI [French Institute of International Relations], 6 rue Ferrus, 75683 Paris Cedex 14 (85 francs). Edited by Pierre Lellouche, the author of its lengthy introduction, this volume contains useful background information on the problem of theater nuclear forces (Euromissiles) by Blacker and Hussain, two American authors, and a survey of the European security policies of major European countries. France's policy is outlined by the defense spokesmen for France's four major political parties: Messrs Jospin (PS [Socialist Party]), Daillet (UDF [Union for French Democracy]), Aurillac (RPR [Rally for the Republic]), and Baillot (PC [Communist Party]). This compilation will be completed in 1981 with a second volume devoted to the external dimensions of European security, namely energy dependence and the impact of Third World crises.
3. "The Makers of Modern Strategy," Volume 1, "From the Renaissance to the End of the 19th Century," 346 pages, approximately 78 francs. Previously published books in this series include two works by Machiavelli: "The Art of War," with a preface by Georges Buis, 230 pages, approximately 46 francs; "Discourses Upon the First Ten Books of Livy," with a preface by Claude Lefort, 370 pages, about 75 francs. These two books were followed by the first volume of J.F.C. Fuller's "Decisive Battles of the Western World" which covers the period from Ancient Greece to the fall of Constantinople, with a preface by Gerard Challand, 292 pages, about 75 francs.

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DUTCH POLICY TOWARD TNF STATIONING, NATO ANALYZED  
Possible Scenarios

Rotterdam NRC HANDELSBLAD in Dutch 27 Mar 81 p 3

[Article by J.M. Bik: "Stationing of Cruise Missiles Puts Allies Before Dilemma -- Will Our Country Remain Full Member of NATO?"]

[Text] The Hague, 27 March -- Will the Netherlands remain a full member of NATO in the eyes of its allies? Measured by the current state of affairs, this question seems rather strong. However, a year from now it could be very topical, specifically when the Hague will have taken a position on a number of complicated issues in the area of nuclear weapons.

This will not only involve a decision, by the end of this year, on whether the Netherlands will allow medium-range Tomahawk cruise missiles to be stationed on its territory. But it will also -- and together with it -- involve the question of what role the Netherlands will want (to continue) to play in the area of nuclear weapons. In other words: which of the six existing nuclear tasks does the Netherlands want to keep and under what conditions. A so-called NATO Shift study, which is expected to be ready by November 1981, will also be very important in this regard.

It will be a very difficult decision for the Hague and for the allies, whether -- and at the cost of what trade-offs -- a positive Dutch decision on the stationing of cruise missiles should be pursued. Indeed, as matters stand now, a majority in the House (among others, the PvdA [Labor Party], the D'66 [Democrats '66] and at least 10 members of the CDA [Christian Democratic Appeal] parliamentary party) are opposed to such a decision to deploy. For the PvdA, the question is even "a topic of controversy."

Too much foreign pressure on the Dutch partner, who in December 1979 asked NATO for 2 more years to think about a stationing decision, could backfire. And it could backfire not only in terms of the decision to deploy, but also in terms of Dutch willingness on the other hand to remain involved in the area of nuclear weapons on a long term basis. Thus, it is the question of half a loaf or (ultimately) none which will have to be asked about the Dutch position within NATO.

Belgium

The problem has been made more difficult by the fact that Belgium has also put off making up its mind. According to some Dutch observers, the Belgian position

concerning the possible stationing of cruise missiles has become less positive because, since the end of 1979, the government in Brussels has extended its 6 month reservation a few times for further "evaluation." Other observers believe that in the end Brussels will agree to the stationing given that it had been announced that the decision would be made by the end of 1981. They base themselves in this on the statement issued by the Belgian government in July 1980, which states, among other things: "In order to enable the negotiations (editor: between Moscow and Washington) to be conducted with all due clarity, the government declares that henceforth Belgium will accept the decisions reached during the negotiations with the USSR and will implement that part (editor: of the modernization of nuclear weapons) which will be assigned to our country within the framework of the alliance."

And also, if a new Dutch leftist confessional administration were to say no in the near future, how strongly would this affect the Belgian decision? And if Belgium after all also were to withdraw, this would create a situation which the Federal Republic of Germany in particular does not desire, that is to say that the Benelux countries would not participate in the modernization of nuclear weapons.

A large part of the political backing which Chancellor Schmidt has always asked for would then cease to exist and this would not make matters any easier for his SPD/FDP [Social Democratic Party of Germany/Free Democratic Party] coalition. Thus, it is no coincidence that since the end of 1979, Belgium and the Netherlands seem to have exchanged places in the interest of the allies.

#### Backfiring

In any case, the allies are currently faced with the rather paradoxical situation that, because of its influence on Belgium, they cannot write off the Netherlands with regard to the deployment of cruise missiles, while they know that precisely such a decision could make it possible to avoid any backfiring in the Netherlands and to reach agreements on those nuclear tasks which the Hague could still get accepted in national politics. Equally paradoxical is the position of the current Dutch administration which already has to plead with the allies for the most attractive trade-offs possible without being able to make any concessions for the period following the upcoming elections (26 May).

Perforce then, in dealing with their foreign partners, the ministers of foreign affairs and defense, or their advisers, are actually dependent on two scenarios to work with, and it is not without significance that Minister De Geus (defense) is a member of the CDA and Minister Van der Klaauw (foreign affairs) a member of the VVD [People's Party for Freedom and Democracy].

In the first scenario, which is based on a restored government coalition of the current type (CDA and VVD), the allies cannot be offered any certainty, only a certain perspective. Namely that, if a sufficient amount of trade-offs are offered in the area of the existing Dutch nuclear tasks, then some positive decision in terms of the deployment of cruise missiles may well be possible.

#### Excluded

In the second scenario, based on the formation of a new leftist confessional administration, a positive Dutch decision with regard to the stationing of cruise missiles by the end of this year would seem practically excluded, considering the

positions of the PvdA and the D'66. The question would then be which of the existing Dutch nuclear tasks such a coalition would be willing to accept and also, in the somewhat longer term, defend before their rank and file (three out of six, two out of six?), and whether then the NATO partners would still feel they have an ally -- for example, in the German area of operation for the land forces -- which can be taken seriously. This latter point is also of some interest to the Hague -- whoever may be at the helm there -- because whether the Netherlands will maintain any influence in the nuclear area is directly related to it.

In both scenarios, the allies could substantially influence the Hague position through the demands they make and/or their willingness to accommodate. That will also be necessary, because where Dutch "policy" in recent years has failed to provide leadership in the discussion on nuclear weapons and in setting priorities, help will have to come from "outside."

#### Nuclear Capability

What could be decisive for the outcome of the decision -- either the one about the stationing of cruise missiles or the one about the question of whether, without such a deployment decision, the Netherlands would still continue to participate in NATO nuclear policy -- by the end of this year is, for example, the demands made by the allies on the nuclear capability of the artillery of the First Army corps. A solid majority in the House (among others, PvdA, CDA and D'66) are opposed to nuclear "battlefield weapons" for political and military reasons. Such weapons are present in a division of the Dutch army corps artillery (four batteries, each with two 8 inch guns), stationed in the Federal Republic of Germany. The same House majority has already taken a position beforehand against the nuclearization of the 155 millimeter guns of the army corps, which the allies have insisted on in recent years.

In Washington, Bonn and London, capitals of countries which are involved (with the Netherlands) in the defense of the northern part of the central NATO sector, the firm opinion up to now has been that the number of artillery pieces suitable for nuclear use there should be increased rather than reduced. If they were to recommend something like that in the spring to the Netherlands, via the Shift reports, then the Hague would be in trouble, no matter who might be in charge there. That is to say: such a recommendation would not only be unwelcome in the Netherlands, it might also be counterproductive.

On the other hand, the allies' judgement of the (overall) usefulness of the army corps is determined to a decisive degree by its value for the whole common defense within the area of operation. For this and similar problems, the Hague will have to devise a timely trick within the NATO context. They are working on it.

#### Nuclear Tasks of Netherlands

Within the NATO context, the Netherlands is currently charged with the following nuclear tasks:

- to participate in the planting of atomic charges (ADMs [Atomic Demolition Munitions]);
- depth bombs for navy air force (now Neptune planes, later on Orions);
- the NIKE air defense;
- army corps artillery (8 inch guns for "short" range and the Lance missile launching

system with a range of approximately 120 kilometers);

- two so-called strike squadrons (18 planes each) from the air force (now Star-fighters, later on F-16s, the nuclear task of which is yet to be decided).

#### Background of Problem

Rotterdam NRC HANDELSBLAD in Dutch 28 Mar 81 p 2

[Article by J.M. Bik: "A Great Deal Is at Stake Both for NATO and the Hague"]

[Text] The Hague, 28 March -- It is very much a question of whether the Dutch administration which will be in power at the end of this year, will be able to or want to say yes to the deployment (after 1983) of cruise missiles on its own territory. If a second Van Agt administration is elected, that is to say an administration with the same political style as the current one, then it will know that it faces a House the majority of which rejects this deployment. If a second Den Uyl administration is elected, then the Netherlands will not participate in the NATO modernization of nuclear weapons.

As was described yesterday, this would not solve the problem in and of itself. In the first case, specifically if a second Van Agt administration were to want to attempt a positive decision on missile deployment, notwithstanding the political risks in our own country, then the NATO allies would have to make substantial concessions in terms of limiting the existing six Dutch nuclear tasks.

In the second case, specifically if a second Den Uyl administration, in conformity with the promise made by the PvdA and the D'66 to the voters, were to say no to the deployment of Tomahawk missiles, then the allies would be faced with a comparable problem. Their problem then would be whether and how the further desires of such an administration in terms of nuclear weapons could be met. A great deal of allied willingness to accommodate could then assist in maintaining at least some Dutch involvement, and in making sure that the official language used to discuss questions such as this one in the Hague will not shortly become Danish.

It is true that something like that would make things easier, politically speaking, for the Dutch administration, but it could put NATO in a position where the Dutch ally would be useful only in a limited way for the common defense. Specifically, this would apply to the Dutch land force contribution to NATO and its task in the Federal Republic of Germany. Following the recent electoral congresses of the major parties, the national nuclear weapons discussion has abated somewhat. This abatement offers the opportunity for drawing up an intermediate balance sheet.

#### Disengagement

During the second half of the seventies many people in Western Europe became afraid that a certain, even though in and of itself desirable agreement between Washington and Moscow concerning strategic nuclear limitations -- such as those aimed at in the SALT II treaty -- could help bring the danger of a "disengagement" of the American strategic guarantee for Europe closer. The increased vulnerability of the so-called Forward Based Systems in Europe (F-111 airplanes stationed in England, for example) and the new Russian "Euro-strategic weapons" such as the SS-20 and the Backfire bomber added to this West European fear. In 1977, the FRG Chancellor Schmidt -- and not Washington as it is often claimed -- expressed his concern with a request for "something equivalent" to the SS-20.

NATO set up a so-called High Level Group, with the approval of the then Den Uyl administration, to study the problem and to think of a possible "response" to the Soviet Union. In stating his case for the return of a certain equilibrium in Europe in the nuclear field -- in the "gray area" between strategic and tactical weapons --, the chancellor of the Federal Republic of Germany understandably always stressed that it could not involve a German-American action alone. No, the modernization of nuclear weapons he had in mind should not only be a military, but also a political response, as concerted as possible, to Moscow, partly to develop a good basis for arms limitation negotiations. For this reason it has always been emphatically stressed that not only Great Britain and Italy, but also the Netherlands and Belgium should participate in the modernization program which NATO would decide on in December 1979.

#### Bad

Thus, in 1978 and 1979 the Netherlands was in a remarkably good negotiating position with regard to its wishes in the area of nuclear weapons within NATO, all the more so as the government at that time consisted of a "non-suspect" center right coalition. The Van Agt administration and the government parliamentary parties in the House have managed to make remarkably bad use of this position. For a long time, the administration followed the increasingly vehement discussion taking place in our country about nuclear weapons in general and the question of modernisation in particular, in a surprisingly passive manner. In retrospect, a high official recently commented: "The administration wanted to let the matter ripen." Well, that did occur, but not the way the administration had expected it would turn out.

Meanwhile, within the strongly divided CDA parliamentary party in the House, parliamentary party leader Lubbers -- even then -- proved to be more of a negotiator between the various groups than a direction setter. The largest parliamentary party in the government hid its disunity behind a request list of mutually contradictory priorities called "points of departure," which the poor Dutch ministers had to try to sell to their NATO colleagues.

In the fall of 1979, both Chancellor Schmidt and President Carter were willing to make substantial concessions to the Netherlands in the area of nuclear weapons, as long as it would be willing to commit itself in some way to the deployment of cruise missiles. At the time, Schmidt personally and Carter's representative David Aaron both made it clear that a substantial limitation of the modernization program as well as a reduction of nuclear warheads and nuclear tasks were negotiable. Mr Lubbers still denies that at the time any substantial offers from the United States and the Federal Republic of Germany to the Hague were involved, but members of the administration and civil servants who were closely involved in the matter at the time remember differently.

In any case, because of the dissension and irresoluteness of the CDA parliamentary party, the Dutch administration was not able then to make the requested promise to Bonn and Washington. This was not followed by an "exchange" with a view to a more limited modernization program and some reduction in the Dutch nuclear tasks, but by a standstill and a worsened negotiating position in the area of nuclear arms. The Hague and Brussels suspended their decision on deployment, the Hague for a period of 2 years. By the end of 1981, partly dependent on the development of arms limitation negotiations between Moscow and Washington, a decision will have to be made.

In a communique on the NATO modernization decision of December 1979, it was noted that to bring the new intermediate range weapons under the lower ceiling of 6,000 nuclear warheads "would of necessity involve a numerical shift from the emphasis on the nuclear warheads of other launch systems and for shorter ranges." This was formulated in such a way that anyone could read anything he wanted into it. The cynical assumption that what Washington was really primarily interested in was the elimination of 1572 obsolete nuclear warheads composed of material (tritium!) which might be useful for the modernisation program, was permissible.

#### Disappointment

But in the Netherlands this communique was explained differently. There, a majority in the House and in the cabinet hoped that the Shift study would enable the limitation of short-range weapons, specifically the nuclear battlefield weapons of the army corps artillery.

This turned into a disappointment. Last November, the first Shift report -- which could certainly have been the final report for the United States -- found the intended reduction of 1572 nuclear warheads by making proposals with regard to "old" weapons, such as atomic demolition munitions and NIKE anti-aircraft missiles. The rejection of this, however, had no "exchange value" in political affairs in the Netherlands, any more than the elimination of the nuclear task of navy patrol airplanes would have.

But what was even more serious: the High Level Group, thus the NATO partners working together within it, gave no indication of intending to honor the Dutch desires in the area of battlefield weapons. On the contrary, in this regard an increase rather than a decrease was recommended. Partly due to Dutch pressure, it was decided to pursue the study of this matter, specifically until November 1981. This is certainly no coincidence; a month later, the Netherlands will have to make a decision on the stationing of cruise missiles.

#### Way Out

Meanwhile, apprehensive of such NATO recommendations which would offend a majority in the House (and public opinion), the Dutch administration has, with the knowledge of the parliamentary parties in the government, developed initiatives with regard to the Shift study. Ministers De Geus and Van der Klaauw have been checking officially for a few months whether the NATO partners could be induced to come up shortly with Shift recommendations which would allow a way out for Dutch politics.

The negotiating position of the Dutch ministers is in and of itself not strong (any longer). As a matter of fact, they cannot offer the expectation of deployment of cruise missiles as a trade-off for their requests. What they can handle is, among other things, the political and logistic importance of the Netherlands for NATO. And they can point out that if NATO is not forthcoming to the Hague, it could well be all over in the not too distant future for Dutch involvement in nuclear weapons, which would in fact make a large part of the NATO contribution questionable.

Furthermore, in one respect the Dutch government officials have had the wind at their back for a short time. Because the vigorous language which has emanated from Washington since the inauguration of the new American administration makes it easier for the European NATO partners to get closer together. Consequently, it is not surprising that the Hague should first pursue the chances of the Shift initiative exclusively in the European NATO capitals.

A great deal is at stake for both the Hague and NATO -- whether a next administration decides in favor of the deployment of cruise missiles or not. As far as the problem of nuclear weapons is concerned, Dutch "policy" is in many aspects backed against the wall. It will be up to the European NATO partners and to Washington to draw conclusions about this during the second half of this year. To a large degree, whether the Netherlands can remain a full-fledged member of NATO as it is today will be more than ever, and before you know it, decided elsewhere.

#### Possible Future Dutch Tasks

Roughly and summarized in a journalistic manner, the following is what the Dutch ministers of defense and foreign affairs might be able to get ultimately accepted in the area of nuclear weapons with their initiative within the framework of the NATO Shift study or as a result of that study:

- the elimination of three old type nuclear tanks, specifically atomic demolition munitions, NIKE anti-aircraft missiles and the depth bombs of navy patrol airplanes;
- the maintenance of the Lance missile launch system, ordered in 1979;
- a limitation of the number of nuclear warheads in the nuclear artillery of the army corps with simultaneous increase of the number of guns suitable for nuclear use. The nuclear artillery warheads and possibly also the special crew for them, would then -- as is already the case in the FRG army -- be stationed in the Federal Republic of Germany, at a greater distance from the battlefield positions (for example, 100 kilometers). Something like this could ward off a part of the objections to nuclear artillery on the front line and could, moreover, remove the "visibility" of individual pieces of nuclear artillery;
- also possible in the not too distant future: rejection of the nuclear task of the air force (F-16), possibly "one-sided" and with some "verbal violence."

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ACTIVITIES, PLO CONTACTS OF ~~NAZI~~ HOFFMANN GROUP

Bonn DIE WELT in German 17 Mar 81 p3

Article by Heinz Vielain: "Hoffmann Going on Maneuvers with Al Fatah"

Text7 The combat sports group founded by Nuremberg graphic artist Karl-Heinz Hoffmann in 1973 was the object of mild ridicule at first; in 1980, it was outlawed. The leader of this 600-man private army is now trying to conduct maneuvers in Lebanon with the help of the PLO. Recently, he had his cross-country vehicles secretly transshipped there from Hamburg.

Six camouflaged old army vehicles were rolling through the early morning fog: three Unimogs and three VW-jeeps. Overnight, they had been brought to the port of Hamburg from Nuremberg. The man responsible for this transfer under cover of darkness was Karl-Heinz Hoffmann, the leader of the outlawed combat sports group that bears his name. The vehicles were shipped to the Near East.

Ever since his rightwing extremist uniformed troop was outlawed in the FRG, Hoffmann has been trying to relocate the activities of the hard core unit to the Near East. For some time, he has been in close touch with Palestinian organizations, particularly with the PLO. According to German security sources, members of Hoffmann's private army have taken part in military drills in Lebanon in the past.

Although the BND has not yet been able to verify the details of the connections to the terrorists in Lebanon, they have been able to confirm that Hoffmann cadres are increasingly being given training in PLO camps now that the combat sports group has been outlawed. A confidential report of the BfV on this matter adds that Hoffmann is attempting "to get more volunteers from the FRG to go to Lebanon."

Mustachioed Karl-Heinz Hoffmann himself has been seen in Lebanon a number of times. Among other things, there is intelligence information on a stay by Hoffmann in an Al Fatah training camp that was once commanded by Abul Ayad who is said to have planned the massacre of 17 Israeli athletes at the Munich Olympic Games. At least 20 of Hoffmann's men, it is said, have since undergone training at this particular camp.

Intelligence sources say they have received information according to which Hoffmann has also met his Palestinian contacts in Eastern countries at times. On 4 November of last year for example he flew from Nuremberg to Frankfurt and from there to a meeting in Budapest. Whenever Hoffmann goes to Beirut, the BND says, he stays at a PLO residence that has been reserved for VIP's for years.

Since the combat sports group was outlawed in January of last year several attempts by Hoffmann to ship vehicles to the Near East have been thwarted. At the Schwarzbach border crossing into Austria for instance, two vehicle convoys were stopped and turned back. On one occasion, two Unimog Mercedes and three VW jeeps were to be brought to Lebanon in a roundabout way and on another occasion it was six jeeps.

Particularly in view of Hoffmann's contacts with the Near East terrorists, an investigation is continuing to determine whether members of the outlawed group might have participated as accomplices or co-conspirators in the bomb attempt at the Munich Oktoberfest which killed 13 and injured 215 people. Security officials had a number of leads pointing to Lebanon but have not yet been able to find definite proof. But the investigation is continuing.

It is almost completely certain that the Munich bomb attempt on 26 September of last year was perpetrated by Gundolf Koehler of Donaueschingen who was himself killed by the explosion. It is known that Koehler twice took part in training exercises of the combat sports group Hoffmann. In the files of the 43 year-old "Fuehrer" from Nuremberg, who conducted drills for his most militant members at Allmoshof castle, Koehler was listed as an active member.

According to confidential security reports, the Hoffmann group was well equipped for terrorist acts both after it was outlawed and at the time of the Munich bomb attempt. House searches conducted after the bomb attempt uncovered masses of explosives and ammunition such as three 10.5 cm shells, some 500 grams of explosives and one teller mine in the cellar of the home of combat sports group member Robert Funk; ten detonator caps at the Nuremberg home of member Michael Rutto; weapons and ammunition at the home of Horst Roehlich in Heidelberg and pistols and gunpowder at the home of Stephan Faber.

In Dusseldorf, a crate containing 1500 rounds of ammunition was discovered in the home of Karl-Heinz Dissberger, a member of the group. The police discovered another arms cache at the apartment of Dissberger's parents consisting of several thousand rounds of various caliber ammunition, a pistol, magazines for automatic weapons, explosives (such as 750 grams of cellulose propelling charge powder), gunsights and silencers.

According to a confidential police report, rightwing extremist groups in the FRG are increasingly receiving support from abroad. In late September, Lebanese radio stations carried a news report saying that four German citizens had been kidnapped by Palestinians. The "kidnap victims," police say, probably were Nazi activists Odfried Hepp, Steffen Dupper, Kay Uwe Bergmann and Peter Hamberger. The first three are being sought by the Stuttgart district attorney's office as members of a criminal organization which calls itself "combat sports group Schlageter" and which planned to kidnap a high-ranking official so as to obtain the release of Rudolf Hess. As for Hamberger, the Munich inferior court has a warrant out for his arrest.

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CSO: 3103

**PROPOSED LEGISLATION FOR 'REPENTANT' TERRORISTS**

Rome L'ESPRESSO in Italian 22 Mar 81 pp 26-27

[Article by Vittorio Buffa: Repentant, Exiled, and All Expenses Paid]

[Text] Why not ship the super-penitents out of the country? That is the latest proposal. And the argument, pro and con, is already under way.

ROME -- Exile is the newest wrinkle in the question of repentant terrorists. It is also the latest hot argument. Backing it are politicians and a few magistrates; there are a few jurists who do not absolutely rule it out. A good many in all three categories, however, reject it out of hand.

It is all very well to reduce sentences for those who have cooperated with the law, say those who advocate Italian-style exile; it is all very well to allow for special bail or probation, or even to grant a full pardon. But why not, if the ex-terrorist desires it, let him for safety's sake go abroad -- perhaps with a special passport and a little money in his pocket, out of the treasury? Only if he wanted to go, of course, and after careful examination of all the facts pertinent to his case, after a debate and even after a possible sentence. After all, doesn't Xenophon tell us that Socrates, "after having been found guilty as charged, could still have escaped the death sentence by suggesting an alternative such as exile"? In the case of the terrorist, of course, it would have to be demonstrated that he had actively cooperated with the law, and then there might be some such procedure as the one the ancient Romans used to call "acqua et igni interdictio" [forbidden access to water and fire]: forbidding any citizen to give water or fire to the guilty man, thus effectively forcing him into exile.

The first to conceive of the idea of letting the super-sorry go abroad was Socialist Party Secretary Bettino Craxi. He tossed out the idea some months ago, and at first there was a deafening silence, followed by a brief burst of enthusiasm which was swiftly snuffed out by harsh criticism -- mainly from the Communists.

Now the Socialists are back on the attack again. They are hedging a little bit, though. The first signal came from the Undersecretary for

Justice, Socialist Francesco Spinelli. "In the government-sponsored bill covering repentant terrorists," he says, "there will be no specific mention of expatriation. I believe, however, that if, for example, there were to be a suspended sentence or probation, then that person could be given a passport..." "Don't make me say any more," said Spinelli to another Socialist, Vincenzo Balzamo, who, with representatives of the other majority parties (Nino Gullotti, DC, Renato Massari, PSDI, and Paolo Ungari, PRI) is working on the bill the government will introduce on the whole "repentant terrorist" issue. "We are still in the preliminary phases, and we have not got into any detail as yet. Of course we shall consider the question of expatriation, too -- that is, whether or not to look favorably on the request of the repentant terrorist who wants to go abroad once he is freed."

In other words, insofar as the Socialists are concerned, the idea is still a sound one. Still ahead is talking it over with the other parties, to figure out its practical application and, if all goes smoothly, to move on to its approval. There are, however, numerous potential hitches. Already the PCI, via spokesman Ugo Pecchioli, has let it be known that any solution akin to exile "would not solve the problem and would fly in the face of widespread citizen feelings." Even very prudent jurists, like Turin's Guido Neppi Modona, look upon it as dodging the issue, as a hysterical reaction which would be far ahead of its time now when, according to them, the real core of the repentant terrorist issue has yet to be settled.

Before we get down to discussing the "right to exile" question, if indeed we ever do get around to it, argue the critics, we must look into the ways and means which would, without doing violence to our judicial system, allow "exceptional repentant [terrorists]" (a category invented by the bench) to qualify for "exceptional" help which would enable them, first of all, to get out of prison. This is still a moot point.

The magistrates in charge of the various inquiries into terrorism have in fact already seen the rough draft of the bill prepared by the ministry of justice, but a good many of them have found it lacking. And they have come up with their own counterproposal: it calls for parole after a first-degree finding of guilt. Who, though, is going to decide to let ex-terrorists out of their cells? Who would be willing to take on such a responsibility? The magistrates say the burden cannot be placed wholly on the shoulders of the judge who imposed the sentence: freedom, therefore, could be granted only after the prime minister (or the minister of the interior) and the justice minister gave approval; they should be the ones to state for the record that any such releases would not constitute a danger or threat to the nation's internal security. Only after these issues are settled, say the magistrates, can we realistically talk about exile. "If they want to go abroad," says Ferdinando Imposimato, one of the judges in the Moro case, "I think we must let them go."

Be that as it may, the technical problems that have arisen are numerous. Can exile be written into law? There are those who say it can,

and those who say it can't, but everybody agrees that the simplest way would be a simple change in the passport law, which would make it possible to issue passports to persons found guilty of such major felonies. But what about the money? Who should decide whether or not the state should indeed give money to its ex-enemies to enable them to live abroad, and if the decision is that it should, then how much ought it to give them? And again, what country would extend its official welcome to a terrorist -- even an ex-terrorist? Would any state grant him citizenship? Would the super-sorry terrorist become, ipso facto, a man without a country? Would he retain his Italian citizenship? Or would he assume citizenship in the country where he settled? Some jurists have already gone so far as to wonder aloud about the need for some sort of international agreements to make this "right to exile" a practical possibility. In other words, this is going to be a long argument, and no easy one, even though a lot of people in prison are pushing as hard as they can. First among them is Patrizio Peci, the founding father of the super-penitents.

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CSO: 3104

## ENERGY CONSUMPTION GROWTH SLOWED TO ONE PERCENT IN 1980

Helsinki HELSINGIN SANOMAT in Finnish 3 Mar 81 p 24

[Article: "Ministry of Trade and Industry Estimate for 1981-1985: Annual Energy Consumption Growth 2 Percent"]

[Text] The growth of energy consumption last year was down to 1 percent over the previous year. In 1979 total consumption increased by 5 percent as a result of the strong growth in industry.

The Ministry of Trade and Industry believes that this moderate growth will also continue in the future. According to estimates published on Monday energy consumption in the first part of the 1980's will increase by only approximately 2 percent annually.

This estimate is based on a 3-percent average annual growth of the gross national product in the years 1981-85 as well as on the continuation of measures to conserve energy.

Also less electricity was used than in the previous year. Last year's growth was 5 percent, while the growth percentage in 1979 was still 8 percent.

"Both the growth rate of total energy consumption as well as the use of electricity were rather low in relation to last year's 5.5 percent economic growth rate," noted Erkki Vaara, general manager of the energy section of the Ministry of Trade and Industry, in publishing last year's energy figures.

According to Vaara the reduction in consumption is to a great degree explained by the fact that "the energy conservation measures outlined in the energy policy program are now being effectively implemented."

#### Energy Bill Increased 5 Billion

A simultaneous "reevaluation" of the energy policy program is also being conducted. An explanation of the need for a reform of the program will be presented next year.

In spite of the moderate growth rate in energy consumption, Finland's energy bill last year increased by 5 billion markkas. The increase in the value of imports alone caused an increase in prices since the amount of imported fuels and electricity remained nearly at the previous year's level, states the most recent energy report of the KTM (Ministry of Trade and Industry).

Last year a total of 16.6 billion markkas' worth of fuels and electricity was imported. According to the estimate of the Ministry of Trade and Industry that seemed to be quite cautious. The import bill for this year will increase to at least 18 billion markkas if currently available figures of price increases are taken into consideration. According to Vaara a figure of "around 20 billion markkas" can easily be reached.

Last year's energy figures already indicate an acceleration of the structural change that began in our energy management several years ago. According to Vaara the proportion of oil in the consumption structure is clearly decreasing and energy independence is increasing.

Last year the domestic level of energy consumption remained at the level of the previous year or at 29 percent. The fact that this level remained below expectations is the result of a poor year with respect to precipitation according to Bureau Chief of the KTM.

The KTM predicts that the use of domestic fuel will increase to more than 30 percent by 1985.

Last year 6 million cubic meters of peat was consumed, which corresponds to approximately a half million tons of oil and 2 percent of total energy consumption.

Last year oil consumption decreased by 4 percent. Last year's oil consumption was a full 10 percent less than consumption in 1973, the year with the highest rate of consumption so far.

A total of 12.9 million tons of crude oil were imported at an average price of 899 markkas per ton. In 1979 the average import price was 569 markkas per ton.

#### An Unprecedented Year for Coal

Delays in the nuclear energy program, stoppages in the nuclear power plants, and a dry year with respect to precipitation increased the use of coal to an unprecedented level. All in all coal consumption increased by a million tons or to a total of 5.5 million tons.

"The additional use of coal caused by exceptional and unexpected factors meant a 200-million markka increase in the energy bill for imported energy," states the KTM report.

As coal imports from Poland were interrupted at the end of last year Finland purchased coal from the so-called spot market in Rotterdam as well as from the United States, which meant long-distance import costs.

Compared to the price level of last fall, coal imported from the United States will be 10-15 percent more expensive than coal from Poland. "However, in comparing prices it should be remembered that the coal imported from the United States is of a slightly better grade than Polish coal with respect to its thermal value," states Juha Kekkonen, the chief inspector of the energy section.

The proportion of nuclear energy in total energy production remained lower than previously presented estimates. Its proportion was the same as in 1979 or 7 percent.

It is estimated that it will increase to 12 percent by 1985.

**Household Energy Bill Increased 5,000 Markkas**

During a 2-year period energy expenditures for the average Finnish family increased by 5,000 markkas. In 1979 the average family according to the KTM paid an energy bill of 5,860 markkas and last year it already increased to 10,860 markkas.

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## GIRAUD SEEN SATISFIED WITH ENERGY CONSERVATION EFFORTS

Paris L'USINE NOUVELLE in France ~ Apr 81 p 54

[Article by Marie Sellier: "Energy Conservation: Pursuit of the Tep Goal Has Turned Out well"]

[Text] Andre Giraud is satisfied: in 7 years France has reduced its energy consumption by 100 million teps [tons of oil]. In order not to remain at that point, new incentives have been instituted to encourage industry.

When it was time for status reports, the ministry of industry reported on its energy conservation activity since the first oil shock...7 years ago. There was a positive balance sheet for Andre Giraud, who emphasized that "France is the world champion when it comes to energy conservation."

In fact, in addition to its being in the lead--along with Japan--in the matter of oil reduction in its energy budget (66 percent in 1973, 53 percent in 1980), it appears that the French economy is the most successfully competitive in the matter of energy conservation. Whereas 1 tep of energy consumption amounts to \$960 of PIB [gross domestic product] in the United States, 1,200 in Great Britain, and 1,700 in Japan and West Germany, this figure is higher than 2,000 in France.

Since 1973, the French people have conserved 100 million teps, that is, the equivalent of 1 year of oil importations, while the growth of the PNB [gross national product] remained, if one excepts Japan, the highest of the industrialized countries. In this connection, Andre Giraud was highly satisfied that the link between growth and energy consumption has been broken. Whereas the range between energy demand and growth was 1 before the crisis, it was reduced to 0.62 in the 1976-1980 period.

#### A Sector That Created 100,000 Jobs

During the past 7 years, energy conservation has constituted "the leading national energy resource." From 1975-1980, investments in this field increased tenfold, to reach 7.5 billion francs in 1980; and 100,000 jobs were created.

But that is only a beginning, and Andre Giraud reaffirmed that "the energy conservation policy must continue to be ambitious." It is that, in fact, if one considers the annual conservation objective of 60 million teps set for 1980 (compared with the 24 million teps conserved in 1980). In order to attain this, investments must be increased threefold and amount to 20 billion francs a year.

Parallel to the activities to be carried out in the residential and tertiary, agricultural, and transportation sectors, a new incentive has been devised to encourage manufacturers to increase their effort. The latter will interact with supply and demand.

In the first place, it is a question of improving the supply of goods and services. The major innovation consists of assistance for the distribution of new techniques and equipment that will be made available through a subsidy to equal 25 percent of the cost of investment. In order to strengthen its operation, the Agency for Energy Conservation will rely in particular on occupational federations. In this connection, Jean Poulit, the director of the agency, announced that as of now eight federations have proposed programs to enable an overall conservation of 180,000 teps.

The second part of the incentive aims at encouraging demand through more information, and of course through financial assistance--first of all a fiscal incentive that will enable enterprises to deduct 10 percent of their profits. The amount of the assistance thus granted by the state would be the overall equivalent of the former system of a subsidy of 400 francs per tep conserved, which was suppressed in 1980. The enterprises moreover will be able to benefit from accelerated progressive amortizations, partial removal (40 percent) of restrictions on bank loans and leases, as well as long-term loans (2 percent lower than the regular rate) for which a budget of 400 million francs has been appropriated.

Finally they can turn to the Sofergies, those specialized financial establishments that were authorized by law on 15 July 1981 and which are engaged exclusively in the financing of energy investments. Soon 12 of them most likely will make 1 billion francs available for financial assistance in 1981.

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## INDUSTRY MINISTER SPEAKS ON ENERGY POLICY

Athens TO VIMA in Greek 13 Mar 61 p 2

Text Minister of Industry St. Manos said during a press conference yesterday that the pumping of oil from the Thasos deposits will start in May and added that the drilling in the Kerkira sea area for the discovery of oil deposits did not produce encouraging results. This drilling which has reached 3,700 meters will continue for 1 more week following which the leased ship will move southward and start drilling in the sea area west of Peloponnese. Manos said the drilling in the Kerkira area cost around 600 million drachmas.

In the meantime, the procedure for assigning the oil exploration task in various regions of the country continues. Manos said that the 18 companies selected by the Public Petroleum Corporation (DPE) to participate in the competition for oil exploration in sea and land areas of western Greece as well as the Nestos (River) south should submit their final bids by 10 May. As is known, the 18 were selected from among 52 enterprises which had responded to the DPE relevant announcement.

Finally, Manos said that no decision has yet been reached on doubling the production of the state refinery at Aspropyrgos and that the whole issue is still under study since the refinery has the possibility of increasing its production.

#### Energy Policy

"The development of domestic resources, the expansion of energy sources, and the best ways of saving energy are the three objectives of the energy policy which takes into consideration all conditions created in light of the new developments and the prospects of the world market," said Industry Minister Manos upon opening the exhibit "Energy '61" which consists of a number of events, with talks, film showing, and exhibits. It was organised by the Center for Entrepreneurial Communication and Projection and will continue until 25 March.

Analysing these three objectives of the energy policy Manos pointed out the following:

1. Development of Domestic Energy Resources: It is anticipated that in the next decade the capacity of the lignite-burning thermoelectric stations will triple and will reach 5,800 megawatts in 1990. By 1969, 12 hydroelectric stations will be built and the search for oil will be intensified. As of this year, "Prinos"

will cover 12 percent of our oil needs and 80 percent of the sulfur needs. Finally, an effort will be made to develop the renewable sources (solar, wind, geothermal, biomass) with an aim at meeting by 1990 3 percent and by 2000 10 percent of the energy needs. The targets for the 1990 decade are:

- a. To heat 150,000 homes using solar energy.
- b. To provide hot water to 600,000 homes using solar energy.
- c. To heat 200,000 homes in Northern Greece through regional heating systems.
- d. To provide heat, air conditioning and hot water to 200,000 homes by heat pumps.
- e. To produce 60 MW of electrical energy by geothermy, photovoltaics, and wind energy.
- f. To heat 100,000 farm and semi-bourgeois homes using biomass [garbage, leaves, and so on].
- g. To produce 100,000 tons of alcohol as a substitute for gasoline.

2. Expansion of Energy Sources: The operation of the first nuclear station is scheduled for 1990, while the Public Power Corporation [DEI] is establishing the first 700-MW coal-operated station which will start operating in 1986. Finally, preliminary work is advancing for substituting masut [crude oil] with imported coal for use in industry and for producing electricity.

The importation of natural gas by various suppliers in quantities of 2 billion tons annually as of 1990 is being seriously considered. With regard to the oil policy it is expected that in the current 1981-82 2-year period the capacity of the storage space will increase five-fold. At the same time, a large port will be built for supertankers and the state refinery will be improved to conform to the new demands of international competition.

3. Energy Saving: In this sector the basis of the government policy will be the enlightenment [of the public] and the promotion of proper incentives (and fewer restrictive measures). On the other hand, the energy price listing should prove its real value without anti-productive subsidies.

#### SOMMEK Program

According to an announcement issued yesterday, the Hellenic Organisation of Medium and Small-Sized Enterprises and Handicrafts [SOMMEK] has undertaken to implement a program which will contribute to the overall effort to save energy. The program provides for its participation in energy related events and in international work groups as well as providing guidance to small and medium-sized entrepreneurs.

Among other things, SOMMEK represents Greece in the EEC work group for the "energy bus," has announced prizes for small inventions concerning energy saving, and will participate in the "Energy '81" exhibit.

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CSO:4908

## EXTENT, USE, FUTURE OF DUTCH NATURAL GAS

## Views of Gas Executive

Amsterdam ELSEVIER'S MAGAZINE in Dutch 21 Mar 81 pp 155-156

[Report by H. J. Looman including excerpt of interview with S. A. Rissik, Gas Union Manager: "Gas Supply Can Last 50 Years with Reasonable Supply from Abroad."]

[Text] The Netherlands can benefit from natural gas for another 50 years. On the condition that sufficient foreign gas can be imported in the next 10 to 15 years. That conclusion may be drawn from a recent energy scenario by the Dutch Gas Union. ELSEVIER had a discussion on the future natural gas consumption with Mr S. A. Rissik, general commercial manager of this company. His opinion: imports carry risks; that cannot be avoided.

It was only 30 years ago that natural gas -- until that time a troublesome and worthless byproduct of the oil extraction industry -- announced itself as a useful source of energy. In September 1951 Coevorden was the first town in the Netherlands to be allotted natural gas for domestic and industrial use. It originated from a very small well in Schoonebeek with a production of around 500,000 m [cubic meters] per year. The rest of the Netherlands had to wait 12 more years before cities and villages, one by one, could be connected to the now impressive natural gas network. That started in 1963 when the fact finally penetrated that such a gigantic treasure of the soil had fallen into our lap that no one had considered it possible.

It is an old story which we will not go into any further because an answer to the question of how long we will still be able to benefit from this treasure is much more important. Especially at present, now that we shall have to get involved with the energy policy in the short and long term during the Broad Social Discussion. A discussion which has more at stake than answering the highly disputed question of whether nuclear plants should be torn down or expanded.

He who wishes to give a sensible judgment on that, should know precisely what the status is of availability and acceptability of the other energy sources. Natural gas, as the most environment-friendly of the energy possibilities, is in any event highly acceptable. And it is also available.

--The very praiseworthy Groninger field currently still has a proven reserve of 1600 billion m<sup>3</sup>;

--the remaining fields on the continent within the territorial waters -- thus including Ameland -- 290 billion m<sup>3</sup>;

--the Dutch share of the continental shelf 300 billion m<sup>3</sup>.

Including the Coevorden gasfield which recently could be "valued upward" from 10 to 35 billion m<sup>3</sup> thanks to a series of explorative drillings, this means a national natural gas wealth of almost 2200 billion m<sup>3</sup>. Of this still very impressive quantity we have a contractual obligation to export 500 billion m<sup>3</sup> to the FNG, Belgium, France and Italy between now and 1995. Thus, for domestic consumption, approximately 1700 billion m<sup>3</sup> remains.

But this quantity also deserves to be looked at more closely. In the coming 10 to 15 years new occurrences of natural gas will be searched for assiduously on land and at sea. There activities are stimulated by the oil companies Shell and Esso who, as is known, each have a 50 percent participation in the Dutch Natural Gas Company and who have stated that they are prepared to put a considerable share of the additional profits, which natural gas exports at higher prices provide, into exploration and production drilling. Geologists and drilling experts, however, do not expect more sensational discoveries to be made. They say, for example, that it is not true that a second gigantic "bubble" is located at 6000 meters under Slochteren. That was a presumption on the part of some optimists. However, what may be expected with a reasonable degree of probability, according to Mr S. A. Rissik, the general commercial manager of the Dutch Gas Union, is that the continuing exploration activities in the Netherlands in the next 10 to 15 years will yield another 200 to 300 billion m<sup>3</sup>. Moreover, the quantities of natural gas which the Gas Union imports and will import to an increasing degree in the future must be added to that.

Mr Rissik is of the opinion that the proven natural gas reserves in our own soil will be adequate for the next quarter of a century and that on the basis of the expected foreign supply of natural gas, the gas supply in the Netherlands can continue for around 50 years. Thus we will then be very close to the year 2030. He says: "the most important means to achieve this goal are:

--limiting the sale of gas to those markets for which gas is pre-eminently suited: domestic and prime industrial use;

--which means: calling a halt to the burning of natural gas in electrical plants, a process which is already in progress;

--the "conserving" as much as possible of the Groninger field, which due to its enormous volume offers the opportunity of regulating production very well in a technical manner. Much in case of a serious frost, little in the summer months;

--expansion of the available quantity of natural gas -- as already mentioned -- by continuing exploration of new reserves, but especially also through new gas imports." Thus said Mr Rissik.

At present, only Norwegian North Sea gas originating from the Ekofisk- and Eldfisk fields is imported by way of the pipeline to Emden: 2 billion m<sup>3</sup> annually. Recently the Gas Union concluded an agreement in principle with the Norwegian state company Statoil for the annual supply of 1 billion m<sup>3</sup> of natural gas originating from the Statfjord field, the biggest gas field of the North Sea so far. Question to Mr Rissiki: Is 1 billion m<sup>3</sup> not disappointingly little? Especially if one takes into account the set-back of there being little prospect of Algeria's supplying an annual 5.6 billion m<sup>3</sup> in liquid form?

Mr Rissiki: "We are not the only ones who would like to get our hands on as big a quantity as possible of Norwegian natural gas. France, the FRG and the United Kingdom are in the market also. Thus, as a small country, one ought to remain realistic. That is why we are, at the moment, satisfied with the 1 billion m<sup>3</sup>. However, there are other prospects. If it is true that block 31-2 indeed contains a reserve of around 1000 billion m<sup>3</sup>, then this justifies the construction of two pipelines. And that opens up prospects for future purchases of more Norwegian natural gas."

"Not much can be said at this time on the Algerian LNG. The installation of a third liquefaction plant is not feasible for the time being. The only opportunity for the Algerian state company Sonatrach to be able to supply natural gas to us depends on the question of whether the price negotiations between Sonatrach and the American energy company El Paso could lead to a definite break. About these negotiations it can be said that so far they have not succeeded, but they have not fallen through. If the latter should still happen, then an annual quantity of 10 billion m<sup>3</sup> of LNG would be freed immediately. And the Western European gas companies, with whom contracts have been concluded, would love to be considered for that. But the question does arise then where this LNG could be disembarked. There are no LNG terminals in Europe which can process 10 billion m<sup>3</sup> annually, and the construction of a terminal easily takes 3 to 4 years. The only thing we can do is continue to lie in wait."

Hassi R'Mel, the Slochteren of Algeria, is currently building its future primarily on the pipeline which is being installed to the Italian mainland by way of Tunisia and Sicily. Of that, the most difficult Mediterranean Sea stretch is ready, so that the supplying of 12½ billion m<sup>3</sup> annually can start within the foreseeable future. Will this not open up the possibility for the Gas Union to still get Algerian gas supplied?

Mr Rissiki: "This pipeline is full already now, but there is enough interest on the part of the buyers in Western Europe for the installation of a second pipeline. Let's say in principle we are also interested. I add immediately, however, that our preference still lies with the realization of the existing LNG contract. In an LNG project the investment burden is borne by both parties, say on a 50/50 basis. The installation of a pipeline, however, must be financed 100 percent by the buyers, thus a considerable increase of the burden. Last year we already calculated that this would cost us an additional 200 million guilders annually, an amount which has already risen merely through inflation. Hence our continued interest in LNG."

The optimism of many energy experts that an important part of the energy problems of the eighties could be solved with liquefied natural gas will certainly not come true. The bottom has fallen out of it, for the Nigerian government has also started to wonder whether the Bonny project, which is gobbling up millions, is really a justified investment. Just like the Algerians, the Nigerians also went to "reconsider" with respect to LNG. The Gas Union is in the market for 1 billion m<sup>3</sup> of LNG annually. Is this supply also in danger?

Mr Rissik: "The Nigerian state has a 60 percent share in the Bonny liquefaction project. Which means that the government will have to bear more than half of the indeed very high investment. And that causes problems. With the result that there will certainly be delays. However, I still see possibilities in the somewhat longer term. The alternative, namely, is that one has to continue to flare very expensive energy. And that is hardly an acceptable waste."

"Shell and BP are each involved for 10 percent in this Bonny project. As to the construction of the plant and the future company management, these oil concerns have so much experience and such competent associates that this should be a guarantee to the Nigerian Government for a profitable exploitation."

The difficulties associated with the import of natural gas in liquid form thus are not slight. The same is true for the supply by pipelines. The Norwegians still stick to their standpoint of easy-does-it; the Soviets would love to supply Western Europe -- preferably 40 billion m<sup>3</sup> more per year than currently -- but here also problems are piling up. The installation of a pipeline measuring 5,500 kilometers from the natural gas-rich peninsula of Yamal in Western Siberia to the FRG is an extremely expensive matter. Completion of the financing by the two biggest buyers -- the FRG and France -- is hampered, amongst other factors, by the Soviet demand of a fixed interest rate of 7 3/4 percent for 10 years.

Political objections also arise. The Reagan administration has already warned Europe on the fact that the Soviet Union, by closing the valve, could use the Siberian natural gas as a means of pressure. For example, if the Soviet Union should be accused by the West of misbehavior toward another country. The Dutch Gas Union is in the market to buy 4 to 5 billion m<sup>3</sup> of Siberian gas per year in the future, around 10 percent of our domestic gas consumption. How risky is this?

Mr Rissik: "That doesn't bother us at all. This 10 percent is an altogether acceptable risk. In case of an interruption -- and this could also be the result of a technical disturbance caused by the extremely low temperatures which sometimes dominate the Yamal region -- we can fill the gap immediately with gas from our own soil, and I am naturally thinking of the Groninger field."

"We must look at these matters sensibly. If we want to supply Dutch families with natural gas through part of the next century, then we must take advantage of every opportunity toward this goal. One of my French acquaintances summed this up very succinctly. He said: 'France has a great shortage of its own energy. What do we do? We strive toward a maximum use of nuclear energy and a maximum use of coal. What remains, we make up with oil and natural gas which we buy where we can get it, but in such a manner that the risk is spread as much as possible.' He was not too concerned about the import of Soviet gas. Neither are we at the Gas Union."

## Facts and Figures

Amsterdam ELSEVIER'S MAGAZINE in Dutch 21 Mar 81 p 157

[Report: "Growth of Energy Consumption as Expected by the Gas Union"; entire report published in boldface.]

[Text] More than 50 percent of the current total primary energy consumption is supplied by natural gas. It is a fact that this percentage will decrease. However, gas will continue to furnish an important contribution to the national need for energy during the first quarter of the next century. Starting from this position, the Dutch Gas Union has just now drawn up an energy scenario. Such an outline of future developments is considered a necessity, since the supply of energy, and certainly not in the last place the supply of natural gas, requires a very long period of preparation. In order to be able to provide some security for the future, it is necessary to think at least 10 to 15 years in advance, according to the Gas Union.

That is not an easy task. In drawing up such a prognosis, namely, assumptions with respect to economic development are of decisive significance. And who can predict at this moment what the economic climate will look like in the Netherlands in the nineties? What is a fact, however, is that a continuing increase in the price of energy is the most important factor which will determine the extent of curbing of energy consumption.

In its Energy Scenario, the Dutch Gas Union started from a prognosis which offers the advantage of being neither extremely high nor extremely low. For the coming 25 years a further, but moderated, growth of energy consumption is taken into account (see Figure 1). Energy consumption will grow from 85 billion m<sup>3</sup> natural gas equivalent in 1978 to 110 to 115 billion m<sup>3</sup> natural gas equivalent in the year 2000.

Figure 2 shows how this expected demand for energy could be met. It shows:

--a decrease of fossil fuels of our own soil, namely a small part of oil and a major part of natural gas;

--a considerable increase of natural gas imports, through which the level of our natural gas supply can stay approximately at the current level;

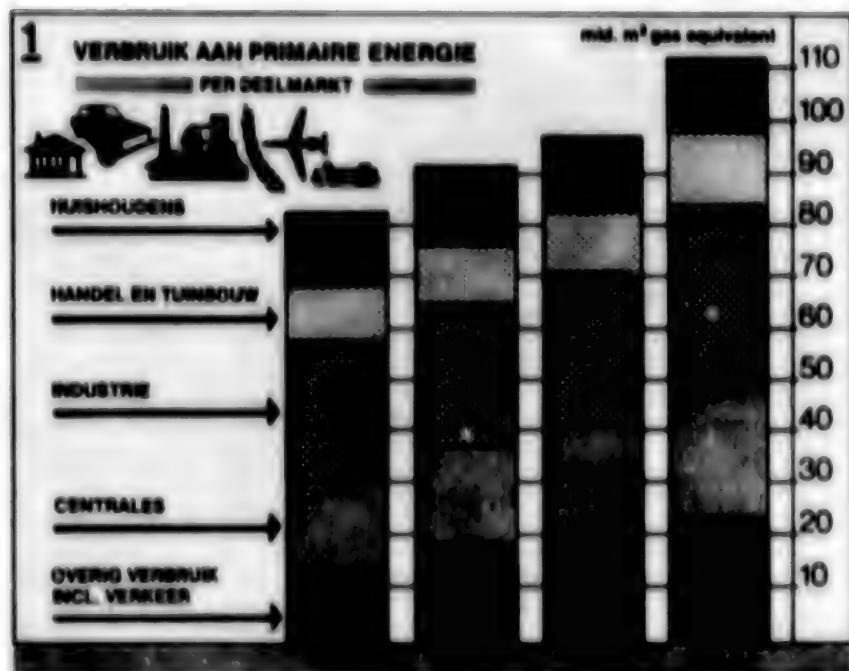
--a more or less stable condition of oil consumption;

--a slight increase of nuclear energy and new forms of energy;

--a very strong increase of coal consumption, from 5 million tons currently to approximately 30 million tons in the year 2000. That comes down to around 25 percent of the total energy supply around the turn of the century. Included in this are approximately 6 million tons of coal dedicated to above-ground gasification of coal. This yields around 3 billion m<sup>3</sup> of generated gas, a quantity equal to about 7 percent of the total annual gas consumption toward the end of this century.

This Gas Union scenario also shows that the dependence on imported energy will increase from around 50 percent currently to around 70 percent in the year 2000. The crude oil share will decrease somewhat in the long run, but oil consumption will stay at least at the current level, with all the associated uncertainties.

Figure 1

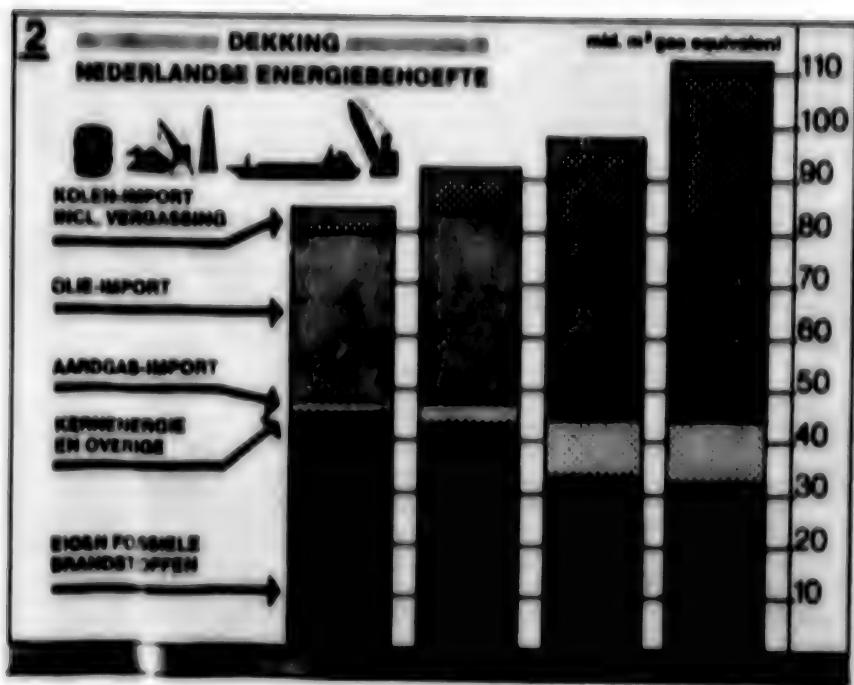


Key:

1. Consumption of Primary Energy -- per market segment
  - a. Households
  - b. Commerce and Horticulture
  - c. Industry
  - d. Generating Stations
  - e. Remaining consumption including Transportation
  - f. Billions of m<sup>3</sup> gas equivalent

[Figure 2 on following page]

Figure 2



**Key:**

2. Coverage of Dutch Energy Needs
  - a. Coal imports including gasification
  - b. Oil imports
  - c. Natural gas imports
  - d. Nuclear energy and others
  - e. Native fossil fuels
  - f. Billions of  $m^3$  gas equivalent

8700  
CSO: 3105

## TRADE DEFICIT WITH U.S. JUMPS 500 PERCENT IN YEAR

Helsinki HELSINGIN SANOMAT in Finnish 26 Feb 81 p 23

[Article: "Unprecedented Amounts of Coal and Grain Imported"]

[Text] Together with the increase in grain imports from the USA the importing of coal last year increased Finland's trade deficit to 1,706 million markkas. The total amount of Finnish imports from the United States increased 52 percent last year. A year ago the deficit was 369 million markkas.

According to the statistics of the Customs Bureau the value of imports last year was 3,373 million markkas and the value of exports was 1,667 million markkas. In the 5-year period 1976-80 the trade deficit between Finland and the United States was 3,158 million markkas.

Last year 150 million markkas' worth of coal was imported from the United States. Grain imports increased by 80 million markkas over the previous year. Imports of office machinery and ATK-equipment increased 130 million markkas and imports of aircraft and their spare parts increased by 115 million markkas.

The deficit was further increased by the simultaneous reduction of paper and cardboard exports by 160 million markkas in comparison with the previous year. Also exports of iron and steel as well as other base metals to the United States decreased by nearly 150 million markkas.

The proportion of paper and cardboard in Finland's exports to the United States last year was 18 percent, the proportion of base metals other than iron and steel was 15.1 percent, dairy products 7.1 percent, furs 5.4 percent, and certain types of industrial machinery 16.2 percent.

Exports to the United States differ from the overall structure of Finland's exports. The proportion of base metals other than iron in Finland's total exports last year was 3.2 percent, dairy products 1.2 percent, furs 1.5 percent, and certain types of industrial machinery 3.5 percent.

Even though Finland's proportion of U.S. total imports is only 0.2 percent, it is still quite significant with respect to certain commodities. For example, paper other than newspaper print, mink and fox furs, and Emmenthal cheese exports from Finland to the United States make up approximately 20 percent of the total in such commodities.

10576

CSO: 3107

**BANKER IN U.S. REPORTS ON INCREASED FINNISH INVESTMENT**

Helsinki HELSINGIN SANOMAT in Finnish 24 Feb 81 p 21

[Article: "Kansallis-Osake Bank Invests in America"]

[Text] At this time there is a massive investment trend from western Europe to the United States. Finnish companies are also actively included in this trend. Enso-Gutzeit, Tampella, Wartsila, Rosenlew, Kymi, Myllykoski, and Amer, among others, have established themselves in Canada and the United States.

Banks have also followed quickly on the heels of the corporations to invest in America. The Kansallis-Osake [National Shares] Bank [KOP] was the first to make the move. The second was yhdyspankki [United Bank], which will begin operations in New York next week.

KOP's man in the United States is Bank Director Kari Janhunen, who is working in the Nordic American Banking Corporation. The KOP has been a part of this bank together with the banks of three other Nordic countries for a full year already. The Nordic American Banking Corporation was originally established by the Swedish Svenska Handelsbanken.

"At the height Finnish enterprises were entering the North American market at the rate of two every month last year," states Janhunen in talking about last year's investment wave.

"The USA seems to be a kind of 'promised land' for European enterprises. Everywhere else there are problems: war in the Near East, political instability in Eastern Europe, and the debts of the developing countries have accumulated. There is only one continent where the atmosphere for enterprises is conducive to development, North America," states Janhunen in analyzing the eagerness of enterprises to move across the Atlantic.

The last incentive for these investment decisions was the cheap dollar, which made American plants and the American labor force seem advantageous. Now, however, the direction of the dollar has changed. The rising dollar and sky high interest rates produced a situation last year in which dollar investments have already produced approximately a 30-percent yield.

"In Finland the idea of foreign investments as a guarantee for business activity matured during the last recession. The two good years after that recession provided the opportunity to accomplish such ventures," stated Janhunen.

The NABC [Nordic American Banking Corporation] progressed well in a rate proportionate to the investment wave according to Janhunen. "The markets have been much broader, which we dared to expect in advance. A certain American banker estimated that the 'Nordic' market in the USA amount to approximately a half billion dollars."

The projects on which NABC is speculating are the American sister corporations of Nordic enterprises, Nordic projects in the USA and Canada as well as Nordic trade with America. In addition, the bank is looking at ventures in which one of the owner banks will function as a "link". Such ventures are the energy projects funded by the Norwegian owner bank, among others.

The NABC will obtain its money from the "interbank-markets" between the banks. The NABC will not handle individual savings accounts.

"Yields are expected in the future," Janhunen describes the profitability of the first year. "Our balance is a little less than 500 million dollars. Five years ago our London bank, Nordic Bank, had about the same amount when it began there. Now the Nordic Bank has increased five-fold."

A year ago NABC had 50 employees. Now the number of personnel has more than doubled to 110 people. The bank is directed by John Nelson, who was recruited from the competitor, the Scandinavian Bank. NABC's office is located in New York's Rockefeller Center.

#### U.S. Banks Under Pressure

Of additional concern to the U.S. banking markets is that country's banking laws, which are being reformed from the bottom up. The principle is the same as "deregulation" of the airlines, railroads, and transportation: restrictions will be reduced radically in an attempt to revive market forces.

Presently in the USA there are approximately 40,00 various financial institutions, of which 15,000 bear the name bank. This variety is made possible by state laws, as a result of which each locality has its own small structure which is far away from the big bad world.

As market forces are deregulated it is probable that a large portion of these financial institutions will be forced to cease their operations or merge with larger institutions.

"Medium-sized regional banks, in particular, have now expressed a surprising desire to cooperate with foreign banks," states Janhunen about the first reaction of the American banking community.

An explanation of this willingness to cooperate is the fact that many American banks are orphans when it comes to foreign transactions. An international partner in cooperation is thus needed. The large multinational banks in the American banking system are thus only exceptions.

### Finnish United Bank Was Hesitant

The Finnish United Bank also began operations in New York in March. In addition to the SYP, Finnish United Bank, the Swedish Post- OCH Kreditbanken as well as a Norwegian and a Danish bank are included in the American Scandinavian Banking Corporation.

In London the SYP has been in cooperation with the Skandinaviska Enskilda Banken in the Scandinavian Bank. The year before last this "Wallenberg" bank decided, however, to establish its own bank in New York so that the cooperative arrangement in London could not be applied in the USA.

The SYP has hesitated for a long time about making the move to New York. The year before last SYP director's Christian Ilmonin and Erik Stadigh stated that it would not be wise to go to the United States since this move could correspondingly accelerate the competition of American banks in the Finnish market. In addition, it was thought that a bank located in New York would not be able to help those Finnish enterprises whose business relationships took them to other parts of the United States.

However, the SYP's position has changed, General Manager Mika Tiivola justifies the venture by the fact that operations in New York's Golden Financial Center offer varied possibilities for the funding of Finnish enterprise activities.

### Reciprocity for U.S. Banks?

The fear of Finnish banks concerning reciprocity on the part of foreign banks may be quite justified. A memorandum concerning the arrival of foreign banks in Finland currently being prepared by the Bank of Finland and the Ministry of Finance is awaiting a government position. Many large banks, the American Citibank, for example, intend to establish themselves anywhere it is permitted, be it profitable or not.

Similarly to Finland Sweden and Norway have for the time being kept foreign banks at bay. Foreign banks have already entered Denmark. According to the thinking of bankers Finland does not particularly interest the large international banks. Norway, on the other hand, would be subjected to an immediate onslaught.

10576

CSO: 3107

## COINTAT CALLS FOR 'REJUVENATION' OF EXPORT AIDS

Paris L'USINE NOUVELLE in French 26 Mar 81 p 76

[Interview with Foreign Trade Minister Michel Cointat, by Eric Lecourt; time and place of interview not given]

[Text] Michel Cointat has just completed, in Montpellier, his first tour of France as foreign trade minister. Seven thousand kilometers covered in eight regions in one month, several dozen exporting firms visited, several hundred exporters met with. In the field, the minister developed his leitmotif, "To make known, simplify and improve aid to exportation." He reports on his trip for L'USINE NOUVELLE. He announces new simplifications in the daily life of Frenchmen abroad, a development of decentralization of the export aid structures, and that an "export savings plan" will soon be put in place.

[Question] What did you get from this direct contact with these PME [Small and Medium-Sized Businesses] exporters?

[Answer] My first mission is basically to make the industrialists aware of all the means for exporting that are available to them. I saw that their knowledge of the subject was imperfect and that I would have to go into the provinces to make it understood that France has the world's most complete arsenal of technical, administrative and financial aid.

The trip is also a way of showing that it is necessary to decentralize services, to bring them to the users sooner, and also to decentralize decisions.

Therefore, before 1 January 1982 nearly all of the French regions will have a commercial adviser: a name, an address, a telephone number. For its part, COFACE [French Insurance Company for Foreign Trade] has begun to decentralize procedures. Simplified canvassing insurance, intended especially for the PMEs, is completely decentralized in its seven regional delegations.

Rendering services more accessible is not enough. Every measure must also be adapted to every region. I am setting up regional foreign trade committees. This is not an additional administrative level. It is a level for bringing together, harmonizing and suggesting in which the administration, the consular organisms, the foreign trade advisers and the exporters will participate.

[Question] The system of export aid is still too complicated for many industrialists. Do you envision new simplifications?

[Answer] The foreign trade minister's second imperative is to trim the procedures. We have just done it for "simplified canvassing insurance." But the daily life of Frenchmen abroad can also be improved. When a Frenchman is sent abroad he is obviously paid more than he is at home. In general he goes to a 1.8 coefficient. Until now employer and employee social contributions were calculated on the basis of 1.8. I have had the government agree that for the PMEs they would no longer be calculated on the basic salary (the one they would get at home).

Likewise, it happens that a French woman who follows her husband abroad delivers a baby there. According to whether she is dependent on a family allowance from one department or another, she does or does not get birth allowances. We are going to devote ourselves to straightening out that situation.

[Question] Shouldn't there be more incentive in all the aids to exportation?

[Answer] The state has very good tools at its disposal, but it provides aid chiefly for business and not to exportation as such. I am having my services study an "export savings plan." Depending on his export turnover, the manufacturer gets points posted in a savings account. When he realizes an export investment he gets in exchange for those points, loans with special characteristics, like housing savings.

[Question] Do you think the CFCE [Council of Commercial Federations of Europe] is well-adapted to the requirements of international competition?

[Answer] The CFCE was created at a time when exporting conditions weren't the same [as they are now]. Twenty-five or 30 years ago France wasn't an exporting country. The very large firms first set out to conquer the world. Only a few years ago the PMEs began to be sensitive to foreign markets. But we haven't yet reached cruising speed for our exports. Attitudes have to be changed. The administration, too, has to accomplish a change in attitude. That's the reason the CFCE requested an evaluation mission. The result of that work will make it possible for us to improve the Center's effectiveness. I have also requested that a committee be created consisting of CFCE users, so that organization will be in constant contact with the exporter and can respond to his concerns and his worries.

8946  
CSO: 3100

## BALANCE OF PAYMENTS, DRACHMA DEVALUATION ANALYZED

Athens EPIKAIRO in Greek 19-25 Mar 81 pp 22-23

Text <sup>7</sup> Forty percent of the anticipated deficit in the country's */trade/* balance will be covered by a 400-million-dollar loan while the rest, or 600 million dollars, will be covered by loans by the public enterprises--Public Power Corporation *(DEI)*, Greek Telecommunications Organisation *(OTE)*, and so forth. Already the Bank of Greece is negotiating with banks abroad concerning the interest rates and the borrowing terms in general.

In the meantime, the government is expressing satisfaction at the development of the January trade balance which despite the increase in fuel imports has been stable thanks to the increase in exports. As shown by the table below, the exports show an increase by 223 million dollars (12% percent) compared to January 1980.

The Trade Balance  
(in million dollars)

	1979	1980	1981
Imports	761	624	921
Exports	276	180	403
Trade Balance	-485	-444	-518
Invisible Resources	301	226	362
Invisible Payments	92	60	152
Balance of Invisibles	209	166	230
Balance of Current Transactions	-276	-278	-288
Net Working Capital	121	211	125

It should be noted, however, that the January 1981 data and those of January 1980 are not comparable. Specifically, the strike of bank employees which began in mid-January last year brought to a standstill all foreign trade transactions. Any comparison with January 1979 will show a smaller percentage increase in exports.

In any case, the deficit of the current transactions balance in January 1981 was 288 million dollars compared to 278 million dollars in */January/* 1980 (an increase

of 3.6 percent). Excluding fuel imports, moreover, the deficit drops only to 1 million dollars. Significant also is the increase in invisible resources (362 million dollars compared to 226) which, however, is limited due to the exports of profits by foreign enterprises. But if what is said about the exports is put aside and one accepts an improvement to the trade balance magnitudes, the resulting picture will not reflect but the first of the 12 months of 1981. And it is very possible that in the end (on an annual basis) the country's trade balance will show a deficit greater than the anticipated 1 billion sic dollars.

#### 50% Drachma Devaluation

The 400-million-dollar loan for the partial coverage of the deficit will be sped up in order to strengthen the foreign exchange reserves. But beyond this, what indeed concerns the authorities is the devaluation of the drachma. Specifically, they are concerned about the foreign exchange policy and particularly about the repercussions of the drachma devaluation in the imports-exports sector.

In February the drachma dropped 3 percent more (7 percent against the dollar) and the total drop in the drachma value in the past 12 months reached 23.6 percent.

According to data of the appropriate service, the index of the calculated drachma foreign exchange parity (it is estimated on the basis of the percentage participation of 12 countries in Greece's foreign trade) with base 100 on 1 March 1970, presents the following picture:

Year	Index
1977	72.148
1978	66.746
1979	63.436
1980	54.977
1981	
January	51.611
February	50.254

These figures show that the foreign exchange value of the drachma lost half of its value compared to the major foreign currencies. The dollar experienced a particular downward trend (with its revaluation in foreign markets) in February.

#### Dollar, Mark, and so on

A report by the appropriate authorities states the following developments concerning the dollar, sterling pound, mark, and so on:

"During the first half of February the noticeable rise in the dollar prices continued to increase in the international market due to the fact that the American banks maintained the interest rates at very high levels and also to the confidence many trading countries have in the economic policy of the new president of the United States. There followed a 10-day decline of the dollar following its continuous upvaluation which was due on the one hand to the activities of

speculators and on the other hand to the measures taken for strengthening the mark and the Swiss franc. The significant increase of the official discount rate of the Central Bank of Switzerland and the measures taken by the Central Bank of West Germany restricting liquidity had as a consequence the impressive revival of these two currencies which resulted in the aforementioned decline of the dollar. The noticeable retreat of the dollar was augmented by the decrease in the interest of loans granted by the large American banks as well as by the uncertainty about Congress accepting President Reagan's new economic measures (cutting taxes, increasing defense appropriations, restricting public expenditures).

Toward the end of February there was a gradual rise of the dollar following the announcement by the agencies of the U.S. monetary policy that the policy of tight monetary circulation will be maintained (which meant keeping the bank interest rates at high levels). The rise was due also to the smaller than anticipated increase of the consumer price index in January 1981.

The sterling pound had a mixed standing in mid-February. It started with a physiological fall from the very high level of its prices compared to the dollar and many West European currencies. In the second week of February the sterling pound was strengthened against these currencies. Subsequently, the strengthening of the mark and of the Swiss franc and the threatened broadening of the strike by the British coal miners as well as the forecasts for an impending decrease of the official discount interest rate by the Bank of England brought about a new sterling drop. In the European Monetary System the French franc and the Dutch guilder remained the strongest currencies while the mark and the Belgian franc were the weakest.

#### No Change Predicted

Despite all this, despite, that is, the devaluation of the drachma, the authorities do not seem to be disposed to abandon the present trade foreign exchange policy because they believe that a new dependence of the drachma on the dollar is not necessary and that, on the contrary, maintaining the drachma ties to the European currencies is indispensable.

Anyway, the devaluation of the drachma (which renders the exports more expensive) will play a role this year in the trade balance of the country and its final deficit. And this aspect of the problem occupies the authorities who are trying to "size up" the repercussions.

7520  
CSO:4908

## UPSURGE IN BANK DEPOSITS REPORTED

Athens 0 OIKONOMIKOS TAXHYDROMOS in Greek 26 Mar 81 p 13

Text Money Supply

The money supply during the January-February 1980 period (according to recent Bank of Greece statistical data) increased by 18,624 million drachmas or by 7.2 percent and reached a level of 263,074 million drachmas on 31 August 1980 compared to a greater rise of 20,468 million drachmas during the corresponding first 8-month period of 1979 (+8.7 percent).

The pending level of money supply on 31 August 1980 was, as already mentioned, 263,074 million drachmas, a sum which by categories is as follows (in million drachmas):

	Value	% of Total
1. Monetary Circulation	191,329	68.2
2. Demand Deposits	91,745	31.8
Total	263,074	100.0

The above data show that 68.2 percent of the money supply volume derives from the monetary circulation while the demand deposits covered only 31.8 percent of the total.

Between the August 1979 and 1980 1-year period, the total money supply increased to 34,021 million drachmas or by 13.7 percent compared to a greater rise of 47,177 million drachmas during the corresponding period of August 1978-79 (+23.2 percent).

Balance of Current Trade (Excluding Fuel Imports) Had Surplus

According to Bank of Greece preliminary data, the balance of current transactions excluding fuel during the January-December 1980 period compared to the same 1979 period was as follows (in million dollars).

	1979	1980	% Change
1. Imports (excluding fuel)	7,858	7,894	+0.5
2. Exports	3,467	3,839	+10.7
3. Trade Deficit	-4,391	-4,055	-7.7
4. Net Invisible Resources	+4,296	+4,637	+7.9
5. Current Trade Balance	-95	+582	

The above data show that if the fuel cost is excluded from both imports and exports the 1980 balance of current trade had a surplus of \$82 million dollars compared to a deficit of 95 million dollars in 1979. The conclusion is that the fuel imports are the main reason the balance of current payments worsened in recent years due mainly to the overvaluation per unit in dollars. On the other hand, the fuel balance in 1979 and 1980 was, again according to Bank of Greece data, as follows (in million dollars):

	1979	1980	% Change
Foreign Exchange Cost for Fuel Imports	2,252	2,875	+27.7
Foreign Exchange Receipts from Exporting Petroleum Products	466	239	-48.6
Fuel Balance	-1,787	-2,696	+47.5

It is evident that the large trade balance deficit is due to a considerable extent to the increased payments in dollars for fuel imports mainly because of the large upvaluation by price unit of crude oil.

#### Rate of Deposits in Foreign Exchange Continues to Rise

During the January-September 1980 period (according to latest available Bank of Greece data) the foreign exchange deposits in commercial banks and special credit institutions (excluding the Bank of Greece) showed an increase of 23,965 million drachmas compared to a smaller increase of 15,049 million drachmas during the same period in 1979.

Between September 1979 and 1980, or during a period of 1 year, the pending deposits in foreign exchange in commercial banks and special credit institutions increased by 38,854 million drachmas or by 30.7 percent and reached a level of 165,733 million drachmas compared to an increase of 24,466 million drachmas during the corresponding period between September 1978 and 1979 (+15.2 percent).

The level of foreign exchange deposits on 30 September 1980 in commercial banks and special credit institutions (excluding the Bank of Greece) was, as aforementioned, 165,733 million drachmas, a sum which by capital sources breaks down as follows (in million drachmas):

(See table on next page)

	Value	% of Total
1. Legislative Decree 2687/53	2,111	1.3
2. Accounts Freely Convertible	8,693	6.4
3. Deposits by Greek Seamen and Workers	94,399	56.8
4. Housing Savings Bank	18,596	11.2
5. Blocked deposits	150	0.1
6. Other <u>mainly term deposits</u>	41,784	25.2
Total	165,733	100.0 <u>/sic/</u>

The above data show that the Greek seamen and workers made most of the deposits (56.8 percent) followed by the term deposits (25.2 percent) and the deposits in the Housing Savings Bank (11.2 percent). Unacceptably low are the deposits of Legislative Law 2687/53 for productive investments (1.3 percent).

#### Deposits by Citizens, Public Enterprises and Organizations in the Bank of Greece

During the January-September 1980 period (latest available Bank of Greece data) the deposits of private and public enterprises in the Bank of Greece increased by 9,626 million drachmas and on 30 September 1980 reached a level of 98,060 million drachmas (+10.1 percent) compared to a greater increase of 11,476 million drachmas during the corresponding January-September period of 1979 (15.5 percent).

On 30 September 1980, the outstanding deposits in the Bank of Greece by private and public enterprises totaled, as mentioned above, 98,060 million drachmas, a sum which by categories is as follows (in million drachmas):

	Value	% of Total
1. Private citizens and enterprises	7,973	8.1
2. Public organisations	90,050	91.9
3. Public enterprises	37	--
Total	98,060	100.0

The above data show that on 30 September 1980, the largest amount of deposits in the Bank of Greece was made by the public organizations with 91.9 percent of the total (mainly on the basis of Emergency Law 1611/50). The rest of the deposits representing 8.1 percent of the total were made by private citizens and enterprises.

#### Imports Increase 8.7% During First Nine Months of 1980

According to Bank of Greece foreign exchange data for the January-September 1980 period, the total imports amounted to 7,982.8 million dollars compared to 7,343.6 million dollars during the corresponding 1979 period. There was, that is, a further increase of imports by 639.2 million dollars or by 8.7 percent which is totally due to the increase in payments for fuel and lubricants mostly because of the per unit upvaluation of the crude oil.

By categories the formation of the imports during the January-September period of the years 1979 and 1980 is as follows (in million dollars):

	January - September	
	1979	1980
1. Foodstuffs	830.0	830.6
2. Raw materials	1,201.2	1,475.8
3. Fuel-lubricants	1,522.3	2,268.1
4. Capital goods	1,836.6	1,791.3
5. Industrial consumer goods	1,913.0	1,573.1
6. Freight charges (non-distributable)	40.5	43.9
Total	<u>7,343.6</u>	<u>7,982.8</u>

The above data show that:

1. Foodstuffs: The imports during the first three quarters of 1980 remained almost at the level of the corresponding 1979 period. The imports of vegetable oils, sugar, meats, and dairy products showed an increase. In contrast, the imports of cereals, wheat, and animal foods marked a decrease.
2. Raw Materials: During the January-September 1980 period, the payments for the import of raw materials increased by 274.6 million dollars or by 22.9 percent. This substantial increase is due to the rise in payments for consumer raw materials and construction materials.
3. Fuel-Lubricants: During the first 9 months of 1980 there was a vertical rise in the payments of this category by 745.8 million dollars or 49 percent compared to the corresponding 1979 period. This important increase is totally due to increased imports of crude oil in volume and mainly in the price per unit.
4. Capital Goods: During the January-September 1980 period the total payments for capital goods showed a small decrease by 45.3 million dollars and reached 1,791.3 million dollars (-6 percent). The imports of transportation means decreased also, while in contrast the imports of machinery and electrical equipment showed an increase.
5. Consumer Industrial Goods: During the first 9 months of 1980 the payments for imports of consumer industrial goods dropped by 339.9 million dollars or by 17.4 percent compared to the corresponding 1979 period. This decrease concerns mainly the category of non-basic consumer industrial goods and is due to the practiced credit policy and to the economic situation in general.

Inflow of Private Capital  
Increased by 7.9%

During the January-May 1980 period (according to latest available Bank of Greece analytical data) the inflow of private capital (including also the change in the outstanding commercial credits) reached an amount equal to 1,242.4 million dollars

compared to 1,144.4 million dollars during the corresponding 1979 period. If the changes in the commercial credits abroad are subtracted from both periods, then the influx of private capital reached 1,156.9 million dollars compared to 1,702.3 million dollars during the corresponding January-May 1979 period. There was, that is, an increase of 84.6 million dollars or 7.9 percent.

By categories the inflow of private capital during the January-May 1979 and 1980 period is as follows (in million dollars):

	January - May	
	1979	1980
1. Law 2687-Productive Investments	8.0	14.8
2. Deposits in Foreign Exchange	702.7	751.3
3. Private Entrepreneurial Capital	109.0	155.3
4. Other Private <u>Capital</u>	252.6	235.5
5. Change in Pending Commercial Credits Abroad	72.1	85.5
Total	1,144.4	1,242.4

The following conclusions are derived from the above data:

1. Law 2687-Productive Investments: During the first 5 months of 1980 the inflow of private capital in this category was limited to 14.8 million dollars compared to 8.0 million dollars during the corresponding 1979 period. It fluctuated, that is, at a very low level.
2. Deposits in Foreign Exchange: During the January-May 1980 period, an influx of 751.3 million dollars was noted compared to 702.7 million dollars during the corresponding 1979 period. There was, in other words, an increase of 48.6 million dollars or 6.9 percent.
3. Private Entrepreneurial Capital: During the first 5 months of 1980 the capital inflow in this category reached 155.3 million dollars compared to 109 million dollars during the first 5 months in 1979. There was, that is, a substantial increase of 46.3 million dollars or 42.2 percent.
4. Other Private Capital: During the first 5 months of 1980 the inflow of capital in this category reached 235.5 million dollars compared to 252.6 million dollars during the corresponding 5-month period in 1979. There was, therefore, a decrease of 17.1 million dollars or about 6 percent. It should be noted that out of a total inflow of 235.5 million dollars, 206.5 million dollars concern housing investments by Greeks abroad.
5. Change in Commercial Credits Abroad: During the first 5 months of 1980 the commercial credits abroad increased by 85.5 million dollars and reached a total of 1,488 million dollars compared to an increase of 72.1 million dollars during the same period of the previous year, 1979.

Outflow of Private Capital  
Increased by 16.6%

During the January-May 1980 period (latest available Bank of Greece data) the outflow of private capital reached 760.1 million dollars compared to 651.8 million dollars during the corresponding 5-month period of 1979. There was, that is, an increase of 108.3 million dollars or 16.6 percent.

By categories, the formation of the outflow of private capital during the January-May 1979 and 1980 period is as follows (in million dollars):

	January - May	
	1979	1980
1. Law 2687-Productive Investments	8.7	17.8
2. Private Entrepreneurial Capital	6.3	7.6
3. Deposits in Foreign Exchange	621.1	717.9
4. Other Private Capital	15.7	16.8
Total	651.8	760.1

The above data show that the volume of the private capital outflow concerns withdrawals of deposits in foreign exchange equaling 717.9 million dollars or 94.5 percent of the total.

Finally, it should be noted that the net inflow of private capital (inflow minus outflow) during the first 5 months of 1980 reached 482.3 million dollars compared to 492.6 million dollars during the corresponding 1979 period.

7520  
CSO:4908

## POLL ON VIEWS ON GERMAN REUNIFICATION

Bonn DIE WELT in German 24 Mar 81 p2

Article by Heinz Vielain: "68 Percent Hoping for Free Elections"

Text 68 percent of the FRG's population are in favor of German reunification "under a Western-oriented government." Only one percent would like to see Germany unified under an "Eastern-oriented government." Seven percent do not care what form of government a reunified Germany would have. 17 percent of the population do not care about reunification one way or the other and five percent are against it.

This was the result of a poll conducted by the Emnid Institute in January that has now been made available to the government and the political parties in Bonn.

A report by the Institute comments on the results as follows: "75 percent of CDU/CSU sympathizers as compared to 68 percent SPD and 59 percent FDP adherents favor German reunification under a Western-oriented government. Particularly among FDP sympathizers there are many who do not care about reunification. The figure is 27 percent as compared to 14 percent of the CDU/CSU adherents."

The FRG population is pessimistic about a real chance for reunification: 69 percent think the Iron Curtain dividing Germany is here to stay. 30 percent think it is a temporary frontier line; one percent has no opinion.

The responsibility for the division of Germany is ascribed primarily to the Soviet Union. 33 percent put the blame on Moscow; 23 percent on the GDR and 22 percent on Hitler. Another 20 percent blame the Western Allies and six percent blame Adenauer and the CDU/CSU. 13 percent said that everybody was "to blame to some extent." 15 percent consider "the situation between the Western and Eastern power blocs" to be the main factor.

In answer to the question of how German reunification was most likely to be achieved, 20 percent said the "course of history" would take care of it. Other possibilities mentioned were: the GDR and FRG governments would work it out between them (18 percent); the United States and the USSR would work it out jointly (17 percent); the popular will in the GDR and the FRG would bring it about (14 percent); no one will (14 percent); the Soviet Union by itself would (11 percent); a political strongman would (4 percent); the United States by itself and the U.N. (3 percent each); the SPD/FDP coalition and NATO (2 percent each), the CDU/CSU and the churches (one percent each).

68 percent called free popular elections in both parts of Germany the way toward reunification. Only 26 percent were in favor of bringing about reunification through an agreement between the two superpowers. Four percent are in favor of "reunification based on big power pressure."

63 percent believe that the peoples in Germany, like those in divided Korea and China should press for reunification. 34 percent are prepared to accept the situation as it is. This attitude is particularly prevalent among young people.

9478  
CSO: 3103

**SDP PREPARES NEW PROGRAM, WORRIES OVER KOIVISTO DURABILITY****Present Program from 1952**

Helsinki HELSINGIN SANOMAT in Finnish 26 Mar 81 p 8

[Article: "SDP Changes Party Program"]

[Text] The Social Democratic rank and file discussion of the Social Democratic Party's new program of principles will be the most important result of the party congress, estimated SDP [Finnish Social Democratic Party] Chairman Kalevi Sorsa in talking about the party's 32nd Congress to be held in Pori on 3-7 June.

The congress at Pori will mean the commencement of reform work on the party's program of principles, which has not changed since 1952. The program will be completed at the 1987 party congress at the latest.

On Wednesday in Helsinki Sorsa emphasized the importance of the reform of the party's program of principles. According to Sorsa the discussion of the program has concerned the party's nature and class basis or, among other things, how the party will take the change in the structure of society into consideration.

Secondly, the Social Democrats have deliberated the basic values of the SDP as well as the experiences gained from the building of socialism after 1952.

As a completely new section an examination of the relationship of man and nature will be introduced into the party program. Sorsa pointed out that it was not a problem for the compilers of the 1952 program since they were confident in continued growth and the continued exploitation of natural resources.

On Wednesday Sorsa stated that in the organizational treatment so far there has been some concern about the fate of socialism in the final program. A rather large majority of the more than 250 associations was of the opinion that socialism would remain written into the program, stated Sorsa.

He also noted that the Social Democrats do not intend to reform the Social Democratic direction document approved at the 1978 congress.

## A Discussion About Nuclear Power

Two new programs will be discussed at the congress: defense policy and energy policy. According to Sorsa there has been some pressure from the rank and file to make the defense policy program more pacifistic.

Whatever opinions are expressed, these are not such controversial questions that they will tear the party apart, stated Sorsa.

At the party congress the SDP intends to stay behind the thinking of the parliamentary defense committee quite closely.

Another subject arousing discussion is the attitude to be adopted toward nuclear power.

According to Sorsa the program's proposal is cautious. It emphasizes matters of security, but does not preclude the building of additional power plants. However, the party will be compelled to examine various points of view since so many initiatives have been made against the construction of new nuclear power plants. The Swedish Workers Union, among others, and certain other party spheres have been of this opinion.

## Wage Funds and the Presidential Game

As a completely new issue the party leadership will bring up for discussion the proposal concerning wage funds. This proposal is not yet ready, but it will be contained in the domestic policy resolution being prepared for the party congress.

The various sections of the party have made a total of 284 initiatives to the party congress. The answers of the party committee to these initiatives were published on Wednesday.

The SDP Congress will also discuss the presidential question. The SDP's party committee rejected the initiative of the Tampere Social Democratic Students that a requirement with respect to quality be established for the chosen presidential candidate and that the candidate be elected at the meeting in Pori.

According to the regulations the task of the party council is to choose the party's presidential candidate and even after Pori the SDP will keep to this line.

Many initiatives have been made to the party congress to the effect that the party adopt measures to eliminate the effects of political turncoats. The party committee supports legislative changes that would replace a turncoat with the first reserve man in an election alliance.

At the same time the party committee points out that the problem will be difficult to resolve by legislation. Therefore, the parties should negotiate among themselves a possible party agreement on eliminating the effects of turncoats.

Initiatives have been made to the Social Democratic Party congress that the party take actions to oppose opinion polls. However, the party committee will not answer the initiative made by the socialist youth of Joensuu since in the opinion of the SDP opinion polls are beneficial and in addition, the party has traditionally opposed any restrictions on the freedom of speech.

In addition to the weighty questions the Social Democrats will also deliberate many smaller problems at Pori. The party will not become a member of the Defenders of Peace even after Pori if the party leadership has its way.

Also the party leadership wants to do away with the present system of republic honors and put in its place a West German-type badge of merit, which could be granted to deserving citizens.

The SDP will not define its position on government policies and the international situation until the eve of the party congress in a domestic and foreign policy document.

A stand on a child and youth policy will also be brought up before the congress.

#### Sundqvist to resign from Government

HELSINKI HUOLINGIN SANOMAT in Finnish 26 Mar 81 p 8

(Article: "Sundqvist to Leave Government")

[Text] Trade and Industry Minister Ulf Sundqvist will resign from Mauno Koivisto's government on 1 July. An agreement has been reached on this in the Social Democratic Party leadership.

The reason for Sundqvist's resignation from the government is that he will become the assistant general manager of the Finnish Workers Savings Bank in the beginning of July. Sundqvist will also resign from his position as SDP party secretary in the beginning of June at the party congress of the SDP in Pori.

Ulf Sundqvist will become the director of the workers bank in February 1982 when the bank's present director Timari Lavonsalo, retires.

The bank job will require Sundqvist's resignation from the government, but the bank will not put up any obstacles to possible membership in the party committee, which directs the practical policies of the SDP.

#### Successors Anxiously Waiting

The most anxious successor to Sundqvist's 6-year reign as party secretary is M. Eikki Liikanen, 30, from Mikkeli, who has been managing the tasks of party secretary in the SDP's office for a couple years already at the behest of Kalevi Sorsa.

Chairman Sorsa mentioned on Wednesday that the people mentioned as successors so far as Women's League First Secretary Martanne Laxen, Liikanen, Prime Minister's Secretary Paavo Lipponen, and Pertti Paakkinen, director of the League of Veterans of the Front.

"I cannot say which one of them is the strongest since it seems that they are all prepared to make sacrifices," stated Sorsa.

## Sorsa Still Wields Power

Helsinki UUSI SUOMI in Finnish 8 Mar 81 p 15

(Article by Ilkka Juva: "Kalevi Sorsa Faced with a Decision")

(Text) Last Wednesday the party council of the Social Democratic Party drew a line for Mauno Koivisto's government: "Do not go over it or there will be no agreement."

Once again the SDP's measure between the grandstane of the Center Party and the Communists was filled. Once again one of the people's front governments, which have ruled nearly without interruption for 15 years, have exhausted its resources.

But once again it also became apparent how agonizing the pain of resignation can be. Rather there was a tendency to be defiant, be regretful, and clench one's fists as decisions "which will last a long time" were being made, as Chairman Kalevi Sorsa requested of the party council.

After the party council's decision Kalevi Sorsa stated in a television interview that a crisis is needed to give impetus to new cooperative positions.

Roughly speaking Sorsa sees the issue as follows: Many Conservative Party members would belong to the Center Party, but, on the other hand, there are so many rightwing members in the party that the whole party cannot swing in that direction. And, on the other hand, the same situation to the contrary applies in the Center Party. And thus according to Sorsa the situation is ripening into a crisis.

Ripening, but will not yet make Kalevi Sorsa destroy the people's front.

### An Executive Ministry

When the Social Democrats talk about an end to government resources, they mean that the government is incapable of carrying out a social reform policy.

The prime minister, who has both said that the government is on a collision course as well as announce that the government ship is creaking, has also joined in this opinion.

In practice the government is now only a political executive ministry. It has no intention of even touching the large-scale questions written into its program. It is better to forget the constitutional reforms as well as the creation of an environmental administration. The government could be replaced by a minority government. The bills brought before the parliament could be turned upside down even if they were unanimously prepared in the government.

"The government no longer governs. It administrates," Sorsa is known to have said.

### "Conservative Party Will Be Determining Factor"

The rank and file saw the issue at the meeting of the party council as follows:

The working of the government appears to be like a man with bad eyes watching a hockey game without glasses. One cannot see the puck or understand the purpose of

the game, but the tackling and the fighting can be seen.

Matti Ahde, chairman of the party's Diet faction, even found a divorce court judge in the game.

"The government's disunity in the parliament means that in the final count the Conservative Party will be the determining factor in the parliament," stated Ahde.

Even though the steam has run out with respect to a reform policy, there is sufficient steam for controversy. Matti Ahde has accumulated a list of 13 controversial law proposals. On the top of the list are the reform of municipal laws and the protection of working conditions.

As far as the reform of municipal laws is concerned the Center Party has already divorced itself from the government's unanimous position at the committee level returning to its original position along with the other bourgeois parties. The SDP's threats and persuasive actions behind the scenes have had no effect on the Center Party.

In enumerating the subjects of conflict one cannot forget agriculture. The ruling front disintegrated in the controversy concerning last year's marketing payments. It was a 5-million markka conflict. We are now faced with a 100-million markka conflict over this year's payments.

Kalevi Sorsa's discontent with the ruling front also reflects the sparsity of resources in the SDP.

The originally established goals of the Social Democrats have all been realized since the health center payment was eliminated (the SDP, for its part, deceiving its ruling partners).

This coming summer's party congress will conduct a preliminary debate on the new program of principles, which the majority of the party membership has wanted, but in which the same majority does not want any essential changes.

From statements made by Sorsa one can conclude that he could be willing to use power in order to prevent a dissolution.

If this should happen, it should be to the liking of the Center Party. Unless dissolution has a different content in the political vocabulary of the Social Democrats and the bourgeoisie, government resources once again could be found.

At one time the SDP pursued democratic socialism, but ended up in leading democratic capitalism.

It is having a difficult time finding ideologically strong and inspiring themes to promote. Shortening the work day by an hour or two or increasing the notice time for laying off an employee are not sufficient to form an ideology.

Perhaps the establishment of a wage fund would be suitable. In the thinking of the Social Democratic leadership even it will have to be sold to a competitive economy in a more suitable wrapper.

The Swedish model of extensive funds is not being recommended for Finland, but the money would be collected at the enterprise level. Power would be distributed and competition at the enterprise level would not suffer.

Kalevi Sorsa is ready to admit that the socialization of the banks, insurance institutions, the medical industry, and the pharmaceutical industry is not timely. "There is much less said about them" than in the 1960's and 1970's.

From Sorsa's statement, however, one understands that in his opinion it would not at all be detrimental from the point of view of customer service and mutual competition even if the banks and insurance companies, which have grown to be rather large, were transferred to the control of society.

These days there seems to be no enthusiasm for socialism. To the contrary, social fences have become lower.

Social Democratic trade union leaders bear responsibility for the competitive ability of enterprises and the Conservatives are along with the Communists the most prone to strike.

#### The SDP Wants Additional Time

The Social Democrats' room for movement is little. They would like to have additional time, a breathing spell, during which the Conservative Party would have to carry the responsibility in a rising tide of opposition. It would also mean more prosperous times within the trade union movement.

The making of decisions leaning in this direction is, however, quite difficult in the SDP. The pain of surrender is hard. Pertti Paasio's words to the party council were right on target:

"We have lost the ability to make decisions. Either something must happen or we must cease making decisions only at the word level."

However, Kalevi Sorsa can make a decision. He has risen faster than anyone else to a level as high as has been possible to rise to in this country in the last 25 years.

If he intends to rise still higher, the collapse of Mauno Koivisto's government would not be any harm.

The additional time would also be suitable for Sorsa. The SDP must make a decision on the next steps to be taken. Sorsa must also make decisions with respect to himself.

He states publicly that he would like to lead a somewhat more peaceful lifestyle. He wants to write a book. And he seems to believe that things would be somewhat easier as an opposition leader.

10576  
120: 7/07

## SOVIET THREAT REQUIRES GAULLIST DIPLOMACY CHANGE

Paris LE FIGARO in French 12 Mar 81 p 2

[Article by historian Emmanuel Le Roy-Ladurie: "Destabilization Tests Pacifist Countries"]

[Text] As a historian, Emmanuel Le Roy-Ladurie assesses the realities of international politics without passing judgment on their moral value: communism, he claims, is a system "of the future." The historical movement, taking place under our very eyes, points up the tremendous military development of the USSR. The plan for global destabilization, pursued by the Soviet system, threatens the "pacifist societies" of the West and requestions the Gaullist diplomatic legacy.

Paradoxically, the periods of destabilization are a historical constant: the European system of balances cracked under the shock of the bolshevik revolution. This dislocation was worsened further by Adolf Hitler's criminal folly: the conquest ambitions of the Nazi leadership tipped the scales and half of Europe fell under the influence of the Russian soldiers, who came as liberators, and then under the yoke of pro-Soviet systems which were no longer liberating anything.

After World War II Western public opinion believed that a stable and almost definitive balance had been established at the Yalta conference. Quite naturally, a number of politicians and private citizens reject the traumatic idea according to which Western Europe could one day fall within the orbit of the USSR. This is a development which cannot be totally excluded, since for about a decade the Soviet Union has been "interested" in the area of the Persian Gulf, Afghanistan and the African continent. Naturally, the Kremlin might turn its sights on controlling West African raw material resources. Who is to say if, eventually, such converging initiatives would not lead the Western European countries to a state of semi-Finlandization.

Unquestionably, communism is a system of the future. In any case, it embodies one of the possible futures. Its expansionist trend is manifested with caution or daring, according to circumstances. Soviet society generates militarism the way a cloud brings storm, in Jaurès' words. The Leninist concepts of "socialism" rest on the simple idea that the development of a new system calls for the use of unlimited power. This means police power within the country and military power abroad. Let us recall Stalin's formula at the end of World War II: "Each army carries with it its social system."

The USSR has experienced multiple economic failures. Even though its final objective is hardly that of raising the living standard of the population, the Russian system is the loser when compared with the Western countries. This lack of efficiency could be a vulnerable point. The survival and development of the system require the concealment of this vulnerable side through propaganda techniques and military methods. Consequently, we are witnessing the following vicious circle: The post-Leninist society increases the power of the military; all of a sudden, the army "establishment" is in a position to exert a certain influence. In this sense, militarism is a structural feature of the system even though the party and ideology may control the overall structure.

#### Like Louis XIV and the Czars

Historical studies have been made of past militaristic societies: the Roman Empire, Prussia, and czarist Russia. A comparison between them and the Marxist-Leninist USSR shows a major difference: the Soviet system is distinguished by an ideology, which does not acknowledge geographic limits in terms of international strategy and which legitimizes interventions in various parts of the globe.

Czarist tradition and revolutionary ideology mix and strengthen each other. Soviet foreign policy has espoused several czarist concepts. The targets have varied little, being the question of access to warm seas, the seizure of Poland, or a breach toward Prussia or Afghanistan, or else again a conflict with China. This traditionalism has led to a strange, not to say dangerous, situation. Let us imagine, by analogy, that the France of 1980 would be pursuing the diplomatic objectives of Louis XIV or Louis XV, particularly in controlling Spain or the possession of Louisiana!

Communism has the surprising faculty of resurrecting even the most archaic features of an obsolete policy. However, it makes them part of an absolutely unique ideological plan. Alain Besançon<sup>1</sup> recalls that Peter the Great used his despotism to modernize and westernize Russia. Conversely, the historical plan of the Soviet leadership is the building of a system different from Western societies. In the field of foreign affairs the Soviet Marxist-Leninist doctrine is expressed by its links with some Western European communist parties and the alliance with Cuba, which is used as a trampoline in the direction of Latin America. The eying of Nicaragua is entirely consistent with czarist policy.

An ideological stamp is added to the classical czarist-molded imperialist behavior: the USSR gives its support to rule by violence in Ethiopia and Afghanistan; the latter tried to impose some social changes through force.

However careful it might seem, this ideology is a contributing factor to the universal prestige enjoyed by the USSR. The Soviet leaders are not encouraged to modify their image or behavior. Guerrillas and extremists operating throughout the world continue to look at Moscow as an "objective ally" against "imperialism and capitalism."

Faced with the phenomenon of Soviet power, our sole recourse is that of peaceful means while maintaining a certain level of defense capability. Inquestionably, some aspects of Ronald Reagan's domestic policy are controversial. However, when the

1. "Anatomie d'un spectre" [Anatomy of a Ghost], Colmann-Levy, 1981.

American president, who calls a spade a spade, denounces Moscow, which stood behind the Kabul puppets in the affair of the kidnaped airplane, I can only approve this lucid crudeness which has been long neglected by the European leaders.

#### From Kolwezi to Walesa

When it became urgently necessary to avoid immediate danger, like the one in Kolwezi, President Giscard d'Estaing took the proper steps. Conversely, it was felt that he confronted Qadhafi's Libya when the Chad crisis broke out.

To recklessly blame Giscard is no problem. Did France have to be involved in a war, even though a limited one? A decision such as this might have had tremendous consequences: For understandable and legitimate reasons, society in the West is pacifist. I find difficult the blanket criticism of the president on this score.

As far as Afghanistan is concerned one can only repeat the trite statement that the French government took an erroneous position. The Russians' entry in Kabul is slightly over a year old; however, it would be no gesture of futility to mention the Afghan tragedy, for the resistance to the invader is a living reality today. As to the notorious meeting with Leonid Brezhnev in Warsaw, I believe, like most people, that it was not necessary.

Nor do I find it proper to remind the Poles, as did the chief of state in a television broadcast, of something which they know from personal experience: the fact that they are geographically encircled, squeezed among the USSR, East Germany and Czechoslovakia. The Poles themselves will have to decide how far they can go. It is not the advisors who pay the bill.

The attitude of the Elysee Palace toward Poland is merely one part of the problem; what we must think about is the overall attitude of the French. Let us reiterate the fact that in 1939, with an oppressed and crushed Poland, dismembered by Nazi Germany and Stalinist Russia, the French played their part. They kept their pledge loyally, even though not enthusiastically. In the eyes of history and universal morality they took action, even though losing in the end.

The circumstances today are different. The ratio of international forces excuses us from taking up arms in the defense of Walesa's Poland. This is something which makes symbolic acts more imperative and more significant. Businessmen and economic leaders could solemnly proclaim that should the Red Army undertake to "normalize" Poland, they would immediately boycott the USSR. The French political parties, whether members of the majority or the opposition, have not sponsored any broad demonstration of moral support for the Polish attempt. Is this not regrettable? Why could the French Communist Party not follow the example of its fraternal Italian party, which condemned in advance the principle of armed intervention led by Moscow?

On the trade union level, let us note that the meeting sponsored the Committee of Intellectuals for a Europe of Freedoms (CIEL) was supported by Force Ouvrière and the CFDT.

Furthermore, Georges Seguy spoke in positive terms in favor of Solidarity. To what extent do such statements profoundly involve the CGT? Why did the CGT leader not equally support the demands of the Polish peasants and students who wanted to create independent unions?

During a recent television discussion on the presidential elections, the Church, through its spokesman Msgr Etchegaray, called upon us to become imbued with the spirit of "utopia." Everyone knows, however, that the genocides of the 20th century--Kampuchia, Stalin's Russia, and Hitlerite Germany--were justified by citing one or another utopia. Would it not have been preferable for the Archbishop of Marseille to recall the traditional solidarity between the Church in France and in Poland?

The stimulation of the forces of moral protest in favor of Poland also depends on France (the government, the opposition and the French people in general). Clearly, Stalin's famous statement, "How many divisions does the Vatican have?" or Brezhnev's formula, "Berlinguer has no tanks," are consistent with our physical reality. However, the polite cynicism of the Soviet leadership should not prevent the various French political groups from mounting awareness campaigns whose function and utility are unquestionable.

It is incumbent upon the heads of the government and the leaders of the opposition to keep the citizens informed about the condition of the international system. It seems to me that they should tell the truth about the USSR, an ideological and military superpower with a totalitarian bent. We tend somewhat to overlook the fact that Mr Chervonenko, the current Soviet ambassador to Paris, was the "normalizer" of the 1968 Czechoslovak revolt. By virtue of his title and rank he is entitled to participate in official ceremonies and social or cultural gatherings together with elected majority officials. To the people of Czechoslovakia his presence among us may seem somewhat ridiculous and saddening.

#### Gaullism and History

Occasionally, a certain Gaullism, which had its period of greatness, risks turning into diplomatic myopia. Franco-Soviet friendship is a problem notion. Is it right to minimize the basic disparities between a system of freedoms, on the one hand, and an oppressive system, on the other, defended by the communist countries? "Amicus Brezhnev, sed magis amica veritas:" Friendship with the truth matters more than friendship with Brezhnev.

General de Gaulle was able to give the country governmental institutions which, compared with the ritual difficulties of the Fourth Republic, represented decisive progress. This service rendered to the nation, which was thus enabled to regain its balance, fetched a rather high price in terms of foreign policy.

De Gaulle made it a point of honor to provoke the withdrawal of the American forces. Some aspects of the general's decision, however, were questionable: should a very acute international crisis break out, the withdrawal (already ancient) of the Americans from within our borders may prove to be inconvenient.

Diplomatic Gaullism is also characterized by a certain coldness of relations with Israel. It is understandable, if not legitimate, that France, concerned with insuring its petroleum supplies or protecting the rights of the Palestinians, may put a certain distance between it and the Israeli government. However, guilt dating from the occupation, the Vel'd'Hiv' affair and the racial laws (1940-1944) should have made us somewhat more cautious. Did we not lightheartedly sacrifice Franco-Israeli friendship in 1967?

Equally, the events in Vietnam and Kampuchia make us doubt today the wisdom of the general's Indochina policy in the 1960s. Such criticisms of the foreign policy of the founder of the Fifth Republic certainly do not put a blemish on the historical greatness of the person. His 18 June 1940 intuition remains worthy of admiration; it marked the basis of a mythical, if not juridical, legitimacy. To this day it remains the underlining of the political regime under which we live.

5157  
CSO: 3100

## POSSIBILITIES OF PCF PARTICIPATION IN SOCIALIST GOVERNMENT

Paris LE MONDE in French 27 Mar 81 p 10

[Article by Yves Boucaut, author of "Le PCF et les sommets de l'Etat": "Do You Want Communist Ministers?"]

[Text] In his speech announcing his candidacy, Giscard d'Estaing confirmed that the opposition leaders are "doomed by the force of things either to govern with the communists or to betray their voters after having gotten their votes." In so doing, this candidate knew that he was emphasizing the most sensitive point in his main opponent, Francois Mitterrand.

Indeed, if there were to be an immediate agreement among socialists as to the inclusion of communist ministers in the government, by virtue of the adventurist, sectarian and populist strategy adopted by the communist leaders, Giscard d'Estaing (just like Chirac) knows that the socialist candidate could only alienate a large portion of the left-of-center forces from himself; this means that his chances to win would be reduced to nothing. On the other hand, if he comes out with a firm "no" to this participation by communists in the administration--imagining that the communist leadership group would nevertheless agree to urge everyone to vote for the socialist candidate--then a portion of the communist voters would fall away. In this latter case, moreover, there would be tremendous uncertainty among public opinion as to the post-presidential action envisaged by the top leadership of the PCF [French Communist Party] which fear of chaos would probably suffice to produce with respect to the left-of-center electorate, in other words, the failure of the left-wing candidate. Adventure or chaos--these then seem to be the only possible ways emerging in the eyes of the voters.

The communist leaders are very firm. They made their participation in the government one of the main points in their campaign. Posters, tracts, journals regularly repeat the suggestions of the communist candidate who never fails to note that the socialists have a choice only between a left-wing government with the communists or a right-wing policy without the communists.

The question: "Do you want communist ministers?" furthermore seems to be all the more inevitable since the communists demand these ministries and in support of their demand can fall back on their past and on their institutional existence. The history of the PCF as a matter of fact includes a period in power which tends to show that communist participation does not imply the country's destabilization. Moreover, during that period of time (between September 1944 and May 1947) the

communist leaders can claim that they brought about or helped bring about profound reforms. In such widely different fields as work and social security, reconstruction and urban development, in public health and in industrial and arms production, they can recall their deeds and their gestures with pride. Their actions toward the veterans also seem quite decisive. National reconstruction amid national reconciliation--regardless of whether we might want to welcome it or regret it--we must admit that that was the slogan that was implemented in practice.

The PCF top leadership went so far in that direction that they even opposed strikes which they considered to be disorganizing factors; the postal strike of 31 July to 3 August 1946, the strike in the Renault factories on 25 April 1946, not forgetting the big strike of the miners constitute some examples here. Feeling rather badly at the time, the communist ministers at the same time even agreed to support the bombings of Haiphong on 23 November 1946 or to "let things go" during the Algerian affair. As a party included in the government, it knew how to act and just how far to go.

Would a party, that would agree not to play any role in the government, not by virtue of that lose its entire reason for existence? Does not supporting a candidate, who in advance would reject any collaboration in government, signify demanding the pure and simple exclusion of the PCF from the French political game? There is much similar evidence we could add here, evidence which the communist leaders do not fail to remind their rank and file--and beyond--of.

The whole problem springs from that famous question: "Do you want communist ministers?" Should we not really ask ourselves this question in order to remove all mystery? Besides, in an effort to prove the whole point, do not the arguments of the communist leadership group prove the issue too much?

When we look at the past, particularly the period during which the PCF was in the administration, why should we omit what attitude the PCF adopted toward its allies at that time? What is the relationship between the desire for an open approach and a union, that manifested itself at that time, and the behavior of the communist leaders today? What relationship can there be between that party and the party which, starting in 1947, although it had the same name, wanted to stay outside the government and looked to the Orient for archaic and schematic theories? What relationship is there between this party and the party run by Waldeck Rochet who, starting in 1964, imposed a policy of winning government power that broke with Stalinism and that exposed mistaken theories?

Now, the question "do you want communist ministers" forces us to ask this other question because it deals with the strategy and tactics deriving from that: "Who are the communists you are talking about?" Are they the leaders of the period of union? That period during which the PCF top leadership conducted a policy of winning hegemony, realizing the need for the working class to make a certain number of concessions against its own demands in order to win leadership of the popular movement. Is this rather more a leadership group from the Stalinist era? A period during which invective took the place of arguments and political programs; socialists, Gaullists, "leftists," military, high civil servants, all of them together becoming "fascists"; a time when the only strategy considered possible was the strategy of a frontal attack against the government, a strategy that was guided by the Soviet magnetic pole?

Thus, if the PCF does not want power in government today, because of many parameters (relationships with the top government leadership, the USSR, the demands of a portion of the working class, the socialists), then the issue of the communist ministers is the same as the issue of unity when, in the midst of the sectarian period, the PCF, through its leaders, disapproved of unity and instead was in favor of unity. This issue is pure nonsense because those communist leaders today do not want power in government. That question therefore is pure sophism.

This is why the men of the left, who want changes, are having so much trouble in answering that question which includes two contradictory terms and which, in turn, raises another question. If the communists do not want to be in the government, then we must ask this question addressed to the communists: "Do you want communist ministers?"

If, in response to this correct question, the communist leaders truthfully reply "yes," that is to say, if they change their behavior, their presence will not only become possible but also desirable as the presence of another major component of the left which has its own character and its own history. On the other hand, if the communist leaders do not begin their transformation prior to the second round of elections, if, by their attitude, they truthfully respond "no," then the candidate of transformation can win just the same. Picking up for himself the demands of the social-professional worker categories whom the communist officials lead, Mitterrand is assured of getting the support of the communist voters during the second round of elections. Regardless of the attitude of the PCF top leadership after the presidential elections, if Mitterrand sticks to his commitments, he is assured of the support of the communist rank and file in the face of the manipulations of certain parties of the bourgeoisie. Thereafter, inexorably, once again, after the second round of elections, the candidate who became president could start talks with the communists and would be assured of their support.

"Do you want communist ministers in the government?" It is up to the communists to answer that. Assured reliably of communist support if he firmly sticks to his viewpoint, Francois Mitterrand can force the right-wing elements to face the decadent policy conducted in the country until today and he can force the PCF leadership to assume its responsibilities. The ball has not been on his side of the court for quite some time. Thus he is assured of the support of numerous communists, both old and new opponents and beyond them, the support of the left-wing people, a united and determined people, because he also has a political desire to transform the world from the moral viewpoint--and he can get that support if there is a really positive response from the PCF this time.

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CSO: 3100

## ROLE OF FOREIGN POLICY ISSUES IN CAMPAIGN

Paris LE MONDE in French 21 Mar 81 pp 1, 11

[Article by Michel Tatu: "Foreign Policy in the Campaign"]

[Text] One of the surprises in this campaign was to find that foreign policy plays a more important role than expected. This is the same field which gave rise to the first--and so far only--"serious incident" in this campaign, according to the expression used by Mr Lecat. Another surprise is represented by the fact that the direction of attacks in this field and the subject of the bitter debates completely changed when compared to the earlier elections.

This is the first time, to be sure, since 1965 that a sitting president seeks re-election and must thus justify his actions systematically. In 1969, Georges Pompidou did not have to account for everything De Gaulle had done; he did not have to justify the way in which his predecessor had pulled out of NATO or withdrawn his support for Israel. Mr Giscard d'Estaing, 5 years later, was even freer in dealing with past policies because he presented himself as a "new" man.

The only common point in these three situations is that foreign policy remains a field in which unjustified susceptibilities obscure the debate. Mr Giscard d'Estaing's spokesmen gave an example of this by rising up, with nice indignation, against the "undignified," "irresponsible," and "revolting," etc. suggestion by Mr Francois Mitterrand concerning the "Warsaw salary." But the candidates, overall, also perhaps sacrifice this jingoistic reference, for example, when they "refrain" from criticizing French policy "on foreign soil" during their trips. Georges Pompidou ran into trouble when he announced his "availability" to run during an interview with newsmen in Rome. As if these distinctions were of any great importance in the age of jet aircraft and instantaneous communications.

In reality--while moderation in suggestions is desirable and while the choice of an audience continues to be important--the violation of these rules in the heat of election arguments cannot be made into a crime, in foreign policy no more so than elsewhere. Between a debate tainted by false shame and an open explanation on all subjects, the second solution is preferable, even at the price of excessive language which, in the final analysis, would be much less harmful than people topside claim to think.

Foreign observers coming from the big democracies, who are familiar with even more serious run-ins, are the first to be somewhat upset by the anathema pronounced, in the name of the flag, on one or the other bitterly debated topic. But the

totalitarian countries are sufficiently cautious in contemplating the bizarre practices of democracy among their partners to go along with this. Soon after the election of Mr Reagan, the Kremlin hastened to let the new American president know that he would not be strictly held to his election promises and that the Soviets were waiting for his actions. Nobody ever thought that Mr Carter, if he had been reelected, would have allowed the "international capacity" of the United States to be diminished simply because of attacks from his rival during the campaign.

The fact remains that France is much more sensitive than any other country to interference or even simple preference expressed by its neighbors and partners on the government level above all (we are less strict regarding party support and Mr Mitterrand did not fail to benefit from that on the level of Socialist International). In the final analysis, and looking at the suggestions made by certain candidates, the fact that Mr Giscard d'Estaing is finishing his term of office in a rather rare atmosphere of almost equally good relations with the two superpowers, turns up looking like a handicap. But the great innovation in this election is represented by the fact the debate this time revolves not only around relations with the United States and NATO, with supranational status and European construction, but around relations with Moscow, which created no problem in 1965, in 1969, and even in 1974 and whose excellence on the contrary was claimed as a Gaullist gain that practically could not be attacked. This fact alone tells us much about the change that has taken place in the meantime in international relations and in the respective image of the two superpowers among public opinion.

The affair of the article in PRAVDA, to begin with, illustrates the dilemma facing any press organ in totalitarian countries. To the extent that the daily of the Soviet Communist Party expresses only official views, the least of its commentaries assumes immediate political significance, sometimes way out of proportion to the author's initial intentions. Even if the Soviet leaders wanted to hide their preference, they would not manage to do that, except by saying nothing at all about the election campaign in France (which in itself already would trigger comments and speculations). Now, they do have preferences and in certain cases they do not conceal them: in 1960 Khrushchev boasted that he had delayed the release of the two pilots of an American spy plane until after the November elections in the United States for the sole purpose of not helping the candidate of the outgoing team, Richard Nixon, and helping his rival, Kennedy.

In the case of France, considering the susceptibilities described earlier, the Kremlin must be more cautious but it does not always manage to achieve that. The visit by USSR ambassador Chervonenko to candidate Giscard d'Estaing in 1974 had the effect we are so familiar with and we can figure out that something which today is presented as a "tactical misstep" will not recur this time.

Nevertheless, the echos did come from Moscow at that time, in an attenuated form, involving a debate in certain leadership circles; to the supporters of continuity, to those who were visibly in favor of the majority, those who preferred to remain "in the area of what we know" and those who consumately favored Mr Giscard d'Estaing over Mr Mitterrand, a certain number of political strategists replied that a certain destabilization of the government in France could open up promising prospects, in spite of the "not at all sure" appearance of the candidate of the united left (these same people, with more success, pleaded in favor of a participation of the

Italian Communist Party in the government in Rome, arguing that those communists, who were a little bit too revisionist, could be brought "back into line" later on).

### Mitterrand, Adversary Number 1

Now, these "second thoughts" are much less justified today with regard to Mr. Mitterrand; his victory almost certainly would not lead to getting communists into the government, as would have been the case in 1974, and his diplomacy does not look any more favorable toward the USSR than that of the current administration. On the contrary. Besides, discreet support or even a simple attitude of neutrality toward him would be a provocation against "class brother" Georges Marchais, a good communist if there ever was one, who should get priority support. In 1978 already the Soviet press rather discreetly supported the (French) Communist Party in its quarrel with the PS. Today, more critical treatment must be reserved for the socialist candidate who is guilty of being an obstacle to class solidarity and to continuity in foreign policy. On the other hand one can be satisfied with pushing Mr. "Français" to the sidelines since he at least is considered a bit of trouble and better in this second category only.

As for Mr. Giscard d'Estaing, he appeared to be in a rather privileged situation long before the strike in FRANCA: we must not forget that he was minister during the Soviet party Congress at the head of Western leaders with whom the dialogue is being maintained and that Mr. Brezhnev's two diplomatic proposals--on the extension of the arms control zone to the Urals and on a conference to settle the Afghan affair--were specifically in line with the initiatives of the president of the Republic.

Considering the reactions from other candidates, the president should judge these favors to be slightly embarrassing and even paradoxical, to the extent that his positions on Afghanistan and on Poland hardened in recent times and to the extent that his defense policy remains entirely oriented against the Soviet Union.

But the episode also has its positive aspects for him. In the light of criticism of the Warsaw meeting--which certainly was highly challenging for which, in the final analysis, did not have any lasting negative effects--we wish to forget the Chad affair which nevertheless was one of the most serious and most recent failures in his 7-year term.

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CIA: 3100

## POLITICAL CONSEQUENCES OF DISSOLVING NATIONAL ASSEMBLY

Paris LE MONDE in French 25 Mar 81 p 2

[Article by European Parliament member Gerard Israel: "The Mistake That Must Not Be Made"]

[Text] The president of the Republic, under the provisions of the Constitution, holds the absolute weapon in political life. He can dissolve the National Assembly and thus send the representatives of the people back to face their voters. This constitutional provision was included first of all in order clearly to mark the preeminence of presidential power over the legislative branch and, besides, to mitigate difficulties that could result from a fundamental disagreement between the two branches of government and, finally, to make the people arbitrate--without having to use the referendum--in particularly serious situations. But, in point of fact, the right of dissolution is unlimited and there is no condition that can control its exercise, except the impossibility of dissolving the National Assembly for a second time before a year has elapsed since the first dissolution.

The current election campaign brings out some rather fantastic themes in the timeliness of such a dissolution. It is noted rather eagerly that, if Mr Mitterrand were to be elected, he would only have to dissolve the Assembly, on the one hand, to show the communists that the country does not want any ministers belonging to that outfit and, on the other hand, to be able to govern with a new majority. One question now arises: Will the communists, who had the door to power slammed in their faces, agree to support an administration that excludes them? There is another question: Would the new Chamber include sufficient deputies who are friendly to Mr Mitterrand to be able to create a homogeneous socialist administration? Nothing is less certain. Besides, the fact that a left-wing president would never have been elected for the first time in the history of the Fifth Republic is enough to trigger a fear reaction among public opinion or, at least, a desire to make up for this by a vote different from the first one which featured the audacity of bringing about a rupture with a tradition that is almost a quarter of a century old. Once elected, Mr Mitterrand would have no interest in bringing about a second electoral shock.

And so we can certainly ask ourselves whether a socialist president could govern with an Assembly within which the united left is in a minority and which includes 155 RPR [Rally for the Republic] deputies.

This brings us back to the famous question of agreements between socialists and communists. It is evident as a matter of fact that, in the case of a victory by

Mr Mitterrand, there would be no other choice possible, other than governing with the Gaullists, because the new president of the Republic should only do otherwise—just a few weeks after having been elected to the highest office in the land—take the risk of having himself disavowed by the country by dissolving the Assembly. But, to be elected, the socialist candidate needs the votes of the communist voters. He thus has an interest in saying or letting it be said that the coalition, in case of a Socialist victory, would be necessary. He will do this for his sake and for the sake of France that he is not seriously thinking about this.

If Mr Giscard d'Estaing is reelected, the same scheme could be applied. Faced by a difficult but real victory, the president of the Republic could hope to oppose him to the one hand, to build a more discordant majority and, on the other, to demonstrate his wish to the same ideology rid himself of the Gaullist supporters he would normally choose other than to govern with the group headed by Mr Debré. In short, there is nothing to prevent Mr Giscard d'Estaing from believing that his re-election would be the one reason a movement among the Gaullists which would lead to a progressive party to Gaullism but that instead there would be a return to the left, a real return among them might decide to bend for the left and the left wing opposition (the Socialists). Anything is possible if one considers the feeling of Gaullism among the members and supporters of the RPR. During any administration of Giscard d'Estaing, there will be an interest in dissolving the National Assembly.

A VICTORY BY THE SOCIALISTS would be all the more difficult, because of the end of their term of office (March 1983). The new president of the Republic could naturally count on the active support of the right majority of the RPR members but it would be foolish to send them back to face the voters in the hope that they would return more compliant and more capable of representing the majority in the Assembly, as was the case during the legislature of the French Republic. The SFIO (French Democratic Union), even further reinforced by the victory of a Socialist, would not hesitate to join a right-wing, conservative, neosocialist opposition, unless certain members (racists or RPR right wing) are picked up by the new president. But, in my case, a new majority, the result of the preceding one, would not give the 1981 7-year term the kind of mandate and the legitimacy which the country is asking for. That would obviously leave us with a majority of supporters with the 24 (Socialist Party). But, to be elected, Mr François Mitterrand would need the communists and Mr Chirac, for domestic reasons, would need the Gaullist voters.

Indeed, what follows is the assumption of the new majority right now. (by the second legislature of Mr Chirac, but not to be afraid they should only have a temporary majority in order to have the pleasure of dissolving the National Assembly. (Mr Richard Lefebvre is a member of the Assembly in the European Community, DIF states.)

## NEW RIGHT PUBLICATIONS OPPOSE EGALITARIANISM

Paris LE MONDE in French 4 Mar 81 p 12

[Article by Alain Rollat: "The Club de l'Horloge Celebrates 'the End of Socialism'"]

[Text] Last July the boosters of the "new right" were delighted to note in a periodical published by GRECE (European Civilization Research and Study Group) the following: "New ideas are making their way" (LE MONDE, 27-28 July). The topics of the "new right" are rapidly following this way, for they have become part of the official theme songs. The struggle against "egalitarian ideology," specifically, has become the master slogan of education minister Christian Beuillac and of Mrs. Alice Saunier-Seitz, minister for universities, whose speeches abundantly emphasize the fact that neither high-level research nor training would be possible without "selection" or "elitism."

Giscard d'Estaing, personally, has supported the idea. He stated in FIGARO MAGAZINE that he was opposed to "egalitarian" society (LE MONDE 28 February).

The battle line used against the leftist parties is also being ridden by the "new republicans" of the Club de l'horloge, which has announced the forthcoming publication of a work entitled "Un nouveau printemps pour l'éducation" (A New Spring for Education). However, this topic has been somewhat spoiled an essay on political economy, recently published by the club and signed by Philippe Baccou, chairman of its "economic" commission.<sup>1</sup>

This young ENA [National Administration School] graduate, who is also fighting the "big taboo," i.e., the "egalitarian mirage," supports a "cruel school of differentiation," he divides children into four categories: "problem children," "average children," "good children" and "estranged" children, and suggests specialized training for each separate group. However, Baccou's work, the reading of which was encouraged by Louis Pauwels, director of FIGARO MAGAZINE in the 24 February issue of the weekly periodical, was, above all, a fire-ship aimed at the economic programs of the socialist and communist parties.

His plan is to defeat the "egalitarian logic" by referring "frankly and explicitly to another non-egalitarian logic: the logic of a society open to pluralistic and meritocratic competition." To the Club de l'horloge, which is jointly controlled by

<sup>1</sup> "Le Grand Tabou" (The Big Taboo), by Philippe Baccou and the Club de l'horloge, Albin Michel

members of the RPR [Rally for the Republic] and the UDF [French Democratic Union]. "Modern egalitarianism threatens the foundations of the republican system: favoring the bureaucratic cancer, it suppresses freedom; relying on resentment, it destroys fraternity; paralyzing initiative, it weakens the nation."

#### A "New Way"

By arguing in favor of a "differentiated" society, Bacou would like, in particular, "to encourage individual and private initiative" by increasing the flexibility of social roles and eliminating the "multiple vestiges of corporate practices" and by developing "new forms of participation." As the supporter of a "cohesive" society, he believes that one must essentially "attack absolute rather than relative poverty."

These economic suggestions are part of a firmly antileftist political strategy which the Club de l'Heritage intends to put at the disposal of the rightist presidential candidate in a study entitled "The End of Socialism," to be published before the inauguration of the campaign. Both Giscardians and Gaullists are calling for a "new way." Their back thoughts may be different but they are joining forces in the struggle against Mitterrand.

"To the East," the text reads, "socialism is merely the blood-stained banner of Soviet imperialism; to the West, it conceals the ambitions of an impudent technocracy... its historical role has come to an end. It would be paradoxical for French public opinion, worn out by rampant social democracy, to throw itself into the arms of the socialist party, the most archaic in Europe, at a time when socialism is sounding the retreat everywhere. In order to avoid such a stupid temptation we must lay the foundations of a new policy consistent with French wishes and needs."

Together with them, in an article published in the REVUE DES DEUX MONDES (February issue), former deputy Alain Griotteray (UDF-PR), exults over "the end of social democracy: " "A new synthesis between liberalism, which guarantees the freedom of the individual, and nationalism, which guarantees the collective destiny, between a type of liberalism which does not forget the nation and a type of nationalism which does not forget freedom is needed," he writes. "The new concept of the state could rest on this double requirement: a state concerned, first of all, with its sovereign and defense functions, and which ascribes to private initiative a bigger role in the production of economic goods."

The latest answer from the left so far comes from the socialist monthly Aujourd'hui DEMAIN, whose February issue discusses the situation of the right wing in France. Accurately noting "a radical modification in the French ideological picture," Pierre Bourgat emphasizes in his editorial that "ideas which no one had brought forth since the war are slowly surfacing. They may be summed up within a single statement: social inequalities and injustices or, in a word, the world as it is, stem directly and spontaneously from the nature of things; the current social law, therefore, is the necessary result of human nature in its current stage of development, and the only possible progress would be to let the motive forces of this 'nature' act without constraint. Any measure taken for the sake of hindering the free play of the marketplace of selection is a hindrance in social development and an unbearable constraint on nature, as well as a regressive factor... Unquestionably, this idealogical evolution is perfectly consistent with the crisis of the capitalist system."

One and a half years ago the controversy concerning the "new right" had started with a question as to the real motivations of the new current of thought: was it an intellectual debate or a political plan? Whatever the case, this question is no longer asked.

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CSO: 3100

## CONSTRUCTION OF NEW FRANCO-GERMAN TANK AGAIN IN DOUBT

Paris LE FIGARO in French 10 Mar 81 p 6

[Article by Pierre Darcourt: "Franco-German Tank Threatened Again"]

[Text] The program for the joint development of a Franco-German tank, set up in accordance with a basic agreement concluded between Helmut Schmidt and Valery Giscard d'Estaing, the leaders of the two countries, could have the sad fate of a previous project going back to 1960... which ended as a total failure. The main obstacle to the development of this tank, which is supported by the double political will of the FRG chancellor and the president of the French republic, and the support of the military leadership of the two armies, is the limit of appropriations for the FRG defense budget.

In fact, Hans Appel, the FRG defense minister, recently stated that (American pressure notwithstanding) his budget could not reach the level of the 3 percent net growth as desired by Washington.

Two major items sum up the German position: restricting development expenditures by improving the performance of the hardware in service, particularly that of the new Leopard II tank, whose performance is, as it is, already quite high; and refusal to engage in any kind of "adventurous" cooperative effort, as was the case with the Tornado penetration aircraft, jointly built with Italy and Great Britain, and whose cost tripled between the time the agreements were initialed and the plane became operational.

On the other hand, the German industrialists and the majority in the Bundestat's Defense Commission are convinced that the few modifications which could be made to the Leopard II, believed today to be the best operational tank in the world, would be far less expensive in terms of equivalent results, compared with the building of a new tank jointly with France.

Their arguments are realistic and coherent: the Germans want a heavy 60-ton tank designed for operations in Central Europe and blame the French for their desire to develop a 40-45-ton tank aimed, above all, at the export market. Furthermore, they suspect that their French partner would like to profit from an inexpensive "transfer of technology," which would be quite advantageous as a result of one of the clauses in the agreement which stipulates that "should the project be interrupted, or should any one of the parties decide to withdraw, for military or economic reasons, the studies conducted jointly will remain at the disposal of each one of the partners."

The West German defense minister has already cited a few figures on the cost of the future tank: the minor modifications which would be made to the Leopard II tank to make it competitive beyond 1990 would represent one-quarter of the investment of the building of an entirely new tank whose cost would be excessive.

The French experts dispute this evaluation. They believe that the savings resulting from the modification of the Leopard II would be one-half the amount mentioned by the German parliamentarians and industrialists. To the point of making it a stumbling block, the West German pressure groups insist on the inclusion in the final agreement of a nonexport stipulation applicable to some countries. Their denial notwithstanding, in fact, it is a question of protecting their potential markets for their Leopard II.

### The French Arguments

The French hardly appreciate the arguments, polemics and intentions facing them. They believe that the result of the technological exchanges will be positive. They know that the tank has virtually reached the limit of its technological development. The only areas where performance improvements could be made are control facilities, gunnery, improved armor, and weight reduction. The French have proved that they were able to get on top of most of these problems.

The hydraulic sighting turret, both in motion and standing, automatically corrected fire with a digital system, laser telemetry, a reduced light television system, and the gyroscopic stabilization of the tank turret are major technological developments already mastered by our engineers.

The testing of a new 120 mm small-bore gun, using shaped or hollow-charge shells, is virtually completed. The French believe that the use of a lightened all-terrain tank will enable them to gain mobility and efficiency. They would like to complete the project. Joint studies are being pursued slowly. The German "suspicions" are groundless, Paris says. Nevertheless, in the course of the discussions held last year by the FRG Defense Commission, reservations regarding the project were rather harsh. Parliamentarians belonging to the three major parties (CDU-SPD-FDP) voiced their opposition to the government's plans so violently that the defense minister decided to let the newly elected national assembly make a decision.

Several European countries, such as Italy, the Netherlands and Belgium, however, seem quite interested in the tank. For the time being, Paris and Bonn have decided not to include any third party in the program before settling all controversies. This is a proven reserve, bearing in mind the political and financial dangers which face the future of this Franco-German supertank.

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## STATUS OF ARMED FORCES IN 1981 REVIEWED

Paris DEFENSE INTEPARMEES in French Mar 81 pp 26-33

[Article by F. Cavallier: "The Belgian Armed Forces in 1981"]

[Text] The Armed Forces of the Kingdom of Belgium are representative in a way--and on a reduced scale--of the military forces of NATO as a whole. Its present problems in the area of standardization, equipment, budget, and overall position of armed forces within society present a picture that can be applied to many other members of NATO. This is not to detract at all from the very particular character of these forces. In effect, three essential particularities emerge:

- the excessively short duration of military service;
- the stationing abroad (in the FRG) of half of the brigades of the Army (two out of four);
- the odd character of armed forces divided into "linguistic" units (for example, the French-speaking 7th Brigade at Marche in Famenne, the Dutch-speaking 4th Brigade at Soest, and the half-francophone 17th Brigade at Siegen).

During the 1970's, despite the various opposition movements, the Belgian Armed Forces managed to achieve a remarkable renewal of their equipment. This achievement was all the greater in that it was necessary to buck public opinion which conceived, in large part, that in a future conflict, the conventional forces would have only a minor role to play. But the main problem (that of bilingualism having apparently been quite well overcome) remains the deficiency in the training of the militiamen. In this regard, many military figures urge an increase in the duration of service.

#### The Army

The Belgian Army takes an active part in NATO defense. Thus, the First Army Corps has been assigned responsibility for an operational sector in the FRG, under the command of the North Armed Forces Group. Before the return of certain units to Belgium, the major part of the Belgian ground forces was stationed in the FRG, with the Corps's HQ at Cologne. The Corps comprised at that time the 1st Division (Denneweg) with the 1st Grenadiers Brigade (Spich), then the 16th Division (Xanten) with the 4th Grenadiers Brigade (Soest) and the 17th Armored Brigade (Duren). In 1981, there remain 25,000 men in the FRG, with--in the 1st Corps--one division with one armored brigade and one armored infantry brigade. The return of two brigades

to Belgium is to be hailed, for it appeared surprising--despite the NATO obligations--for the four active brigades to be away from Belgian soil.

The Ground Forces also participate in the air defense of Western Europe by providing the two Hawk ground-to-air missile battalions (60 operational systems) in the "belt" deployed along the Iron Curtain.

Finally, they form part of the Mobile Force of the Allied Command in Europe (AMF) with a reinforced paracommando regiment. This Force is intended to take position on one of the flanks of the European theater that would be threatened. The Ground Forces comprise two Main Commands: the Belgian First Army Corps [1 (BE)] Corps [as published] and the Forces of the Interior (FI).

#### Organization of the First Army Corps

The First Army Corps comes directly under the North Armies Group (NORTHAG), whose HQ is at Rheindahlen, near Monchengladbach (FRG). The 1(BE) Corps comprises essentially two divisions--the 1st Division and the 16th Division--and Corps Troops (organic units).

Each division comprises two brigades in peacetime and three brigades in wartime. There are therefore four active brigades: the 1st, the 4th and the 7th Armored Infantry Brigades and the 17th Armored Brigade; as well as two reserve brigades: the 10th Armored Infantry Brigade and the 12th Motorized Infantry Brigade.

The two active-duty brigades are normally composed of:

- two armored infantry battalions, equipped with tracked VTT (cross-country) vehicles;
- an antitank battalion, which comprises a company with 90-mm antitank guns on tracked chassis ("Jagdpanzerkanone") and an antitank-missiles company;
- one or two armored battalions, equipped with medium-size combat tanks of the LEO-PARD type;
- a field-artillery battalion, equipped with self-propelled 105-mm howitzers of the M108 type;
- a combat engineers company;
- three logistical-support companies;
- a supply and transport company;
- a repair and maintenance company;
- a medical company.

The organization of the reserve brigades is virtually identical to that of the active-duty brigades. As for the Corps Troops, they are intended to provide combat support and logistical support for the 1(BE) Corps as a whole. For the conduct of battle, certain units are sometimes placed directly at the disposal of the two divisions. The Corps Troops are composed, in large part, of active-duty units. Among the Corps Troops, for combat support, we should mention the reconnaissance battalions, equipped with tracked CVRT [expansion unknown] armored equipment, manufactured both by Belgium and Great Britain, and also the field-artillery battalions, equipped with self-propelled 155-mm howitzers of the M109 type (41 systems) or 8" howitzers of the M110 type (10 systems) and LANCE ground-to-ground missiles (4 systems, one of them in reserve, replacing the HONEST JOHN systems). There are also two AA artillery battalions equipped with HAWK ground-to-air missiles (60 systems).



For close anti-aircraft protection of its armored units, the Belgian Army is equipped with 10 LEO-PARD self-propelled 35-mm twin cannons, extrapolated from the LEO-PARD 1 tank.

Finally, there remains, with GRAD self-propelled 35-mm systems. We mention also four light-air raid squadrons equipped essentially with Alouette II helicopters (4 systems) and 12 anti-aircraft battalions (12 systems), and five Engineering battalions. It is worth the note that the reinforced Paracommando Regiment is integrated with the forces of the army. It is to be considered as a general reserve for the combat forces.

#### Artillery

The material of the Belgian Army is a typical example of the lack of standardization in this Army. Among the principal supplier countries we mention the United States, the Federal Republic and France. Nevertheless, in the last few years a great effort has been made to achieve partial standardization (LEO-PARD, LAV 25, AMX 30, MILAN). The presence of a good deal of English material (SCORPION, 105/120, SPAGHETTI) is mainly the result of the close historical bonds between the two countries, especially since WWI.

The principal materiel, with its origin, is:

United States--62 M-47's, 96 M-108's, 26 M-44's, 41 M-109's, 5 LANCES, 60 HAWKS;

Great Britain--133 SCORPIONS, 153 SCIMITARS, 266 SPARTANS, 43 STRIKERS;

France--180 MILANS (+ 240 to be delivered), 73 Alouette 2's;

FRG--80 "Jagdpanzerkanone," 55 GEPARDS, 334 LEOPARDS.

But Belgium does not, for all that, reject the possibilities of purely national manufacture. Thus, the Belgian government decided in July 1979 to replace the old VTT's with 1,039 American machines (AIFV's and M-113's), to be built in Belgium by the BNF group; at the same time, it was planned to assign construction of a further group of 150 vehicles to the Belgian ACFC (Charleroi Electrical Engineering Shops) industries. These vehicles, which are entirely of Belgian conception, were given the designation COBRA. A decision about the definitive ordering of this group should be made by 15 March 1981. This machine has proven very successful; but one might question the interest of so small an order, further increasing the imbroglio of the systems (upon delivery, 43 COBRAs would be assigned to the Engineering units and 107--in a PC (Command Post) version--would go to different units).

The serious economic situation that Belgium is experiencing suggests that there will be growing debate about the increased possibilities of national conception and production.

#### The Forces of the Interior

The Forces of the Interior are charged with general support of the ground forces from the point of view of training, heavy-support logistics and preparation for mobilization. They are responsible for the internal security of the Belgian national territory in wartime, and particularly for protection of the Belgian and Allies' lines of communication. They also furnish partial logistical support to the Air and Naval Forces as well as to the Medical Corps and the Gendarmerie.

In peacetime, the Forces of the Interior group all the organisms and all the troops taking part in general support of the Army. They comprise nearly 28,000 men in peacetime and 83,000 in wartime. A single command controls their activity. It commands three major divisions: the Operations and Training Division, the Logistics Division, and the Mobilization Division.

#### Operations and Training Division

This comprises, on the one hand, the combat troops, and on the other, the training schools and centers. In peacetime, except for the Paracommando Regiment, the combat troops are reduced in number. They are limited to light-infantry, engineering and signaling units, reinforced in wartime. The Paracommando Regiment, a general reserve of the ground force, is subject to being assigned different missions: security of the national territory in wartime, participation in the NATO Mobile Force, reinforcement of the First Corps under certain conditions.

The training schools and centers on Belgian territory are charged particularly with training of career personnel--officers, noncommissioned officers and enlisted men--and with the basic training of militiamen. These activities are conducted on behalf both of the 118TH Corps and of the Forces of the Interior.



The frigate "Westhinder"--the last of the four ships of the E-71 class built for the Belgian Navy.

#### Logistical Division

The Logistical Division is responsible both for heavy support of the whole of the Ground Forces and for direct support of the units that are on national territory. It also provides partial support to the other Forces and the Gendarmerie. It has a strength of 10,000 persons, including 2,000 civilians, in its arsenals, depots and shops.

#### Mobilization Division

The Mobilization Division has the responsibility of preparation for putting the Ground Forces on a war footing. It runs mobilization centers, core units and depots, and keeps up the armament and equipment stored. It also handles the normal routine of call-ups of units--call-ups that are indispensable to maintaining the operational value of the reserve units.

#### Strength

As of 1 February 1980, the strength of the Belgian armed forces totaled 92,364 men, including 63,359 career military and 28,945 militiamen.

Army: 41,076 career soldiers and 21,860 militiamen.

Air Force: 16,593 career military and 3,262 militiamen.

Navy: 3,404 career personnel and 1,040 militiamen.

Medical Corps: 2,286 career personnel and 2,783 militiamen.

#### Air Force

The Air Force comprises a General Staff and three Main Commands: the Tactical Air Force, the Instruction and Training Group, and the Air-Force Base.

The Tactical Air Force groups all the fighting units assigned to NATO in peacetime and is composed of:

- an All-Weather Fighter Wing equipped with F-104G's and F-16's;
- a Fighter-Bomber Wing equipped with F-104G's;
- a Fighter-Bomber Wing equipped with Mirage 5B's;
- a Wing comprising a Reconnaissance Squadron equipped with Mirage 5's and a Fighter-Bomber Squadron likewise equipped with Mirage 5's;
- two NIKE ground-to-air missile Wings;
- a Wing comprising a Tactical Transport Squadron equipped with C-130H's and an Air Communications Squadron equipped with Boeing 727's, HS 748's, Falcon 20's and Merlin III-A's;
- a Helicopter Squadron equipped with Sea Kings and HSS-1's;
- two radar stations for detection and control;
- a Meteorological Wing;
- a Telecommunications Wing.

#### Materiel

--54 Mirage 5 B A/D's, 53 F/TF-104G's, 18 Mirage 5BR's, 12 C-130H's, 2 Boeing 727 QC's, 3 HS 748's, 5 Merlin III-A's, 2 Falcon 20's, 4 HSS-1's, 5 Sea Kings, 33 SF-260MB's, 33 Alpha Jets

The F-104G's and TF-104G's will gradually be replaced by the American F-16 planes. The 34th Squadron of the 1st All-Weather Fighter Wing is the first European unit to have become operational with the F-16 fighter. This squadron, with its 18 F-16's, has been assigned to NATO since 1 January 1981. The second unit to be equipped with the F-16 is the 350th Squadron, the changeover of which will be completed before the end of 1981.

The Instruction and Training Group provides the training of the flying and nonflying personnel (here, the Alpha Jet is replacing the T-33's and the Fouga Magisters), while the Air-Force Base is responsible for logistical support of the whole of the Air Force.

With the arrival of the F-16's and the Alpha Jet, the Belgian air forces have available three excellent airplanes--including the Mirage 5's--well-designed for

their different missions. While the choice of an American airplane, the F-16, over a European system seems to strike a heavy blow against European standardization, we note that it also produces an alignment of Belgium with the choice made by other NATO members in favor of the American system.

### The Naval Forces

The principal mission of the Naval Force is to participate, ~~with~~ NATO, in the protection of the lanes of maritime communications in the Channel and the southern part of the North Sea. The shallow approaches of the Belgian ports and the southern part of the North Sea are very vulnerable to attacks by mines, while the approaches of the Channel and certain parts of the North Sea are very propitious to submarine attacks.

Protection of the lanes of maritime communications therefore comprises three major objectives:

- antisubmarine warfare
- mine-sweeping
- coastal and offshore defense

### Organization

The Naval Force comprises a General Staff and three groups:

- the "Operations" Group (COMOPSNAV) is charged with the conduct and control of operations and the training of the seagoing units. Bases: Ostend, Nieupoort, Zeebrugge, Antwerp;
- the "Instruction and Training" Group (COMIENAV), based at Sint-Kruis, is charged with the specifically naval training of the personnel of the Naval Force. The Belgian-Dutch School of Mine Warfare at Ostend provides the specialization in anti-mine operations;
- the "Logistical" Group (COMLOGNAV) is responsible for the logistical support of the seagoing and land-based units.

### Materiel

The antimine fleet is composed of:

- 2 command and logistical-support ships, the "Zinnia" and the "Godetia";
- 7 oceangoing minesweepers-hunters, ex-U.S. type 498;
- 6 coastal minesweepers, ex-U.S. type 60;
- 2 coastal minehunters;
- 14 shallow-water minesweepers, "Herstal" type (in the 1980's, Belgium will be equipped with the "Fridan" three-part system, developed jointly with France and the FRG).

The antisubmarine fleet is made up of four type E-71 frigates. This program, approved on 23 June 1971, saw the first ship put into operational service in 1978. With load displacement of 2,340 tons and a crew of 160, the E-71's have a multiple SAM [surface-to-air missile] ramp of the SEA SPARROW type, one 100-mm gun, EXOCET sea-to-sea missiles, two torpedo-launchers and a 375-mm six-tube ASM rocket-launcher (stores: 600 100-mm shells, 8 SEA SPARROWS, 4 EXOCETS, 45 rockets, 10 torpedoes).

The remainder of the Fleet is composed of:

- 2 scientific-research vessels, the "Zenobe Gramme" and the "Mechelen";
- 6 river patrol boats;
- some 10 service ships;
- 3 Alouette III helicopters and 1 S-58, as liaison craft.

#### Conclusion

The initial period of rearmament of the Kingdom of Belgium goes back to the years 1949-1953. The duration of military service at that time was 24 months. Furthermore, the evolution of this duration gives quite an exact picture of the profound change that has occurred between the "Cold War" and the period of detente (18 months in 1954, 15 months in 1957, then 12 months, and today 10 months, with only 8 months for soldiers doing their duty in the FRG). This duration of 10 or 8 months appears distinctly insufficient in relation to the training phases necessary for utilization of the increasingly complicated weapons systems.

Fortunately for Belgium, the majority of its soldiers are career military personnel. But the problem is there nonetheless in the framework of mobilization of the reserves and utilization of the Militia forces on the battlefield.

The 1960's saw the reduction of the Army Corps to two divisions of two brigades each, as well as reduction of the Forces of the Interior. During this period, only the Paracommando Regiment was considerably reinforced, by means of artillery pieces and light armored vehicles. This fact is all the more important in that the Army's general reserve is based on this elite regiment.

In recent years, there has been a certain uneasiness within NATO about Belgium's military policy. There was serious doubt about the Belgian political authorities' will to keep their commitments to the Atlantic alliance. Indeed, since 1953 there has been a slow erosion of the military budget in relation to the general state budget:

1953: 18 billion FB (Belgian francs)	as against	94.5 = 19.0 percent
1963: 20.9 "	as against	170.2 = 12.3 percent
1973: 36.5 "	as against	490.9 = 7.4 percent
1980: 82.5 "	as against	1,259.8 = 6.5 percent

These data are in contradiction with the importance of the mission of the Belgian forces, and of the Benelux as a whole, within the framework of NATO defense. The more the Belgian military effort is reduced, the more will the allied countries have to provide for an increase in their own defense expenditures. This evolution surely has an implicit limit, beyond which the very existence of NATO risks being jeopardized.

Membership in a defense organization entails few rights and many duties. And even if the latter term may occasion displeasure in a liberal society, it remains nonetheless that the future of Belgium remains intimately linked to fulfillment of certain military duties.

Three solutions can be proposed for a positive evolution of the Belgian forces:

1. increasing the duration of military service (to 12 or 14 months);
2. this increase will make it possible to reduce the number of career military personnel;
3. this reduction will permit allocation of the fund thus made available to equipment expenditures.

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CSO: 3100

## DEFENSE MINISTER SØGAARD DISCUSSES PRESTOCKING, BUDGET

Copenhagen INFORMATION in Danish 19 Feb 81 p 9

[Article by Flemming Ytzen]

[Text] While the internal defense committee of the government is considering a new draft program to be presented to the parties, the defense minister discusses NATO depots, possibilities of reinforcements, crisis management and total defense.

"It was actually misleading to talk about a zero-solution for the defense in the draft program which the government sought to negotiate last year," Defense Minister Poul Søgaard admits in this interview with INFORMATION. "At the time we even added an extra 12 million kroner for the home guard in our endeavors to reach an agreement," the minister says.

The government draft program included a built-in cost-of-living adjustment for the defense budget, and this adjustment alone was to provide the Armed Forces with an additional 800 million kroner under the 1981 finance act over the 1980 budget. Nevertheless, the total supplementary appropriation for 1980 to the Armed Forces came to amount to nearly 1.5 billion kroner extra, to cover, among other things, price and wage increases. This took place at the presentation of the supplementary appropriation bill which has just been read for the first time in the Folketing. The supplementary appropriation for the Armed Forces--or, in other words, the unexpected higher costs of the military--has thus become nearly twice the amount by which the government expected the defense budget to increase from 1980 to 1981, viz. the 800 million kroner, which were adopted as a "temporary zero-solution," pending a defense agreement to be in effect for several years.

In explanation of the surprising increase in the costs of the military, Poul Søgaard says: "It is, among other things, the higher costs of the modern weapons systems technology which makes it impossible to keep up, even on the basis of our cost-of-living adjustments which we considered to be adequate. When in a short time we shall be resuming the discussions on the defense program, we shall probably be presented with a draft program which will be different from the one on the basis of which we negotiated in the fall."

Question: What will be the content of the draft program?

Answer: That is being considered by the government, so I cannot say anything on that yet.

#### Depots

One of the reasons why the negotiations for a 4-year defense program could not be completed last year was that the government wanted to wait for a move from NATO on a further expansion of NATO depots on Danish soil. Such a move has not yet been made by NATO to the defense minister.

The very issue of depots has been the subject of fervent discussions, and opponents of an expansion of the depots have maintained that additional and larger NATO depots on Danish soil make Denmark an even more obvious target for enemy bombing as depots, like unmanned "bases," make us a "stationary aircraft carrier" for NATO and the United States.

Poul Seghers recently answered the criticism by stating in a feature article in POLITIKEN that it is "no news that in the NATO planning situations have been anticipated where reinforcements for Danish territory may be considered, nor that special units (land forces as well as aircraft) for a long time have been designated as possible reinforcements of the Danish Armed Forces. In the present discussion, it is sometimes being forgotten that NATO reinforcements certainly do not constitute any new phenomenon, although the question probably has become more topical in recent years."

Question: Why do you think that the question of reinforcements has become more topical during the last few years?

Answer: As many people have gradually come to realize, the thing is that it is not possible to transfer forces at 30-40 days' notice, as was hitherto assumed. Everybody has been able to understand that not being able to get reinforcements until 30-40 days after the outbreak of war would not work.

Question: The period of 30-40 days you mention it will take to bring in reinforcements, was that also the basis for setting up the first depots in the sixties?

Answer: No, they were a link in our cooperation with West Germany and were established in recognition of the fact that the defense of Denmark does not start just at the Danish border but quite a distance from there. The depots they are now discussing but which nobody knows, for nobody has seen what kind of depots they will be, will--if, indeed, we are going to get depots--no doubt, be of a different kind. And who knows if we get those depots at all. As you know, we are still awaiting the move from NATO, which we expect soon, but what it will involve we do not know. And it is quite conceivable that there will be no new depots at all! In my opinion, it is not inconceivable that we shall be offered reinforcement forces without depots.

## Opponents

Poul Søgaard goes on to say: "When finally we get the offer, we must first have a fundamental, political discussion and indication of such a reinforcement possibility. Subsequently, we shall enter into more concise negotiations with NATO as to the contents of such depots and as to the types of forces which, if the need arises, will be sent to Denmark. We must know what it is that we are going to receive, and that this reinforcement possibility will be used for the defense of Denmark--and thus also for the defense of Western Europe."

Question: Is there not, in your opinion, a risk that the reinforcement agreements become an expression of a cooperation on the conditions of the strong party to the agreement?

Answer: Of course, such a risk will exist. On the other hand, we are several small countries within the NATO cooperation which, in different ways, have the opportunity and possibility of being some kind of opponents to those whom you call the strong ones.

Question: Opponents, in what sense?

Answer: That the small countries very often support one another in discussions, evaluations and decisions within NATO.

Question: You have in mind medium-range missiles?

Answer: Yes, the missiles but also several other things. I have got to say it outright that, for the 3 years that I have been occupying this chair, I have never had the feeling of being pushed aside by the U.S. superpower. Of course, we are not to assume that we play the same role in the cooperation as the United States. Of course, we are quite aware that a war, if any, between East and West will already in the first round make Europe a battlefield, and that may be the reason for the difference in the views of Europeans and Americans on so many things.

Question: Is it not possible that the difference in views may mean that, in a crisis situation, it will be pressure from the United States which will be decisive for a Danish decision to call in these reinforcements?

Answer: In answer, I would like to point out one thing: As is well-known, we have just established a crisis control apparatus in which ministers and public officials are involved, and this has the decisive effect that a Danish decision will be needed to call in reinforcements, if any. We decide ourselves whether we are going to get reinforcements, when we shall get them, and which ones.

Question: In your opinion, will there be time for the Folketing to become involved in a rapidly developing crisis situation?

Answer: Indeed. It is in the crisis situation that we will be using this crisis control apparatus. Allow me to repeat what the foreign minister said the other day: None of those with whom we cooperate, nor the Folketing or the population expect us to be just twiddling our thumbs until a possible enemy crosses our 3-mile limit. I am sure that we would be blamed a lot if we simply allowed matters to take their own course.

## A mere Dispute About Words

Question: Since in the feature article in POLITIKEN you write that the reinforcement aircraft may be received in Denmark both during war and during the period prior to war, is that not an expression of a change in our hitherto time and stationing policy that U.S. aircraft may now be called in when--as you wrote--the actual situation arises?

Answer: But we are not talking about bases at all.

Question: May a depot not very soon be turned into a base. Strictly speaking, a depot is, of course, an unmanned base?

Answer: But listen, what is a base? Is it a tank in an empty field? Really, I have got to say it outright. It is becoming a mere dispute about words. Fundamentally, it is a question of the government and the Folketing having some possibilities of action in a tense situation, and not all these hair-splitting remarks on one thing and the other.

Question: You do not find it decisive that some military depots and a landing base very rapidly may become a base for foreigners?

Answer: It is becoming a mere dispute about words, and something much more essential is at stake, viz. the ability to defend Denmark in the best possible way.

## Total Defense

Question: During the latest round of the defense negotiations, the Radical Liberal Party proposed that the hitherto defense legislation be replaced by a broader security policy legislation where the military is included on a line with other security policy elements, such as, for example, aid to developing countries, civilian preparedness programs, and the like. This is concretely what some people call the total security concept, on which I should like to have your opinion.

Answer: I take a very positive view of the idea of total defense but probably in a broader sense than the Radical Liberals.

Question: As is well-known, Jens Bilgrav-Nielsen has proposed that a total security committee be set up which, for example, would revise the military preparedness program, improve the civilian preparedness program and develop alternative defense models. What is your view of such ideas?

Answer: If, as proposed by Jens Bilgrav-Nielsen, a committee is set up, it may sit for 10 years and there will be a lot of talk, but I am afraid that such a commission would not be able to produce anything of value to the action program which should follow after the work of such a commission. The possibilities might be better if we got a committee of civil servants which could prepare a draft for such a total defense model for the politicians. This model should

deal with the military defense as well as the civilian defense and the civilian preparedness--and, in this connection, also examine the possibility of developing a non-violent defense. Such a proposal by public officials could form the basis for the further work in the political organs, in the defense committee and in the Folketing.

Question: But a group of public officials would probably be inclined to develop solutions based on the existing defense conditions?

Answer: Not necessarily. I would imagine that such a group could simply cause a brainstorm. It implies, of course, also that the committee must be able to collect expert knowledge from the outside and then present a total proposal which we could then discuss on the political level.

Question: But that is exactly the gist of the ideas of Bilgrav-Nielsen and the Radical Liberals.

Answer: No, I am afraid that Bilgrav-Nielsen's wish is to bring together all kinds of opinion groups, peace researchers, NATO opponents, NATO supporters, etc., and we would then be left with a group of people who would be trying in vain to communicate with one another. I am afraid that such a commission would not have much effect.

Question: As mentioned before, the demand by the Radical Liberals in respect of the total defense model is to adjust the military preparedness so that it meets the demands for maintaining the country's sovereignty, for effective notification, improvement of the civilian preparedness, preparation of concrete relaxation and disarmament initiatives and preparation of alternative defense models. What are your views on these demands?

Answer: Well, if Bilgrav-Nielsen still supports NATO, and I assume he does, and if by this he wants to say that the others must come and fight for us when we get into trouble, then I believe that he has got himself involved in something he has hardly reasoned out. If the military preparedness is to be adjusted so that it will only be able to give warnings and to maintain the sovereignty, it can very quickly be established that we shall be forced to rely on others to solve the major tasks for us--and, of course, I here have in mind the actual defense, including the reinforcements. Of course, we must adjust the defense, and that is what we are doing now by reducing the peace-time preparedness, especially because it is costly and the society, of course, has not got much money.

#### F-16 Aircraft

Question: You mentioned that the increased costs of modern weapons systems technology had exceeded the framework of the defense budget, and you now say that the country lacks funds. What will be the end of it?

Answer: We know that the eighties will be difficult for the Danish society, economically, and we must, therefore, look into areas where we can save and where we can use weapons systems which are not so terribly costly. The West Germans, too, have realized the necessity today of purchasing less expensive weapons systems and, at the same time, re-establishing the hitherto systems so that they can function still longer.

Question: It sounds as if you too are shocked that an F-16 aircraft in 1983 may come to cost 90 million kroner?

Answer: You are right that it is a lot of money. It should, in this connection, be kept in mind that we bought them in January of 1975 for approximately 34 million kroner each, and the things that have made them more expensive are the general price and wage adjustments, and then it is, primarily, a question of the relation between the krone and the dollar. I frankly must admit that I had not thought that those aircraft would become so expensive. But as a matter of fact there is nothing odious about the development which has taken place in connection with these prices, but who would have expected the developments in respect of the krone and the dollar which we have experienced.

Question: Are 4-year defense programs a thing of the past?

Answer: The arrangement which we have known so far where the Folketing has agreed on a 4-year framework for the defense and then, for the rest, has been putting things into an 'incubator,' that arrangement we shall not get anymore. Both the economic, technological and political developments have made it necessary for us to plan the development of the defense in a far more flexible manner than we have hitherto been able to do.

Question: We are thus now to change to 1-year arrangements?

Answer: It may be possible for us to make 4-year arrangements, but we must have the possibility of undertaking current adjustments, and this is also contained in the defense model bill which we submitted last year--a model, the framework of which covers 4 years but where a report will be prepared each year on the state of affairs, showing areas where it will be necessary to spend money from year to year. Thus a total framework within which it will be possible to make changes to a greater extent than has hitherto been possible.

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## NEW BOOK STIRS DEBATE OVER SECURITY POLICY

Copenhagen INFORMATION in Danish 7-8 Feb 81 p 6

[Review by Flemming Ytzen of book by Jan Øberg "Myths on Our Security. A Criticism of the Danish Defense Policy in a Development Perspective," Mellemløkelt Samvirke, 330 pages, 78 kroner]

[Text] In a book which is bound to become the hitherto most important total contribution to the Danish security debate, Jan Øberg undermines decades of one-sided defense propaganda.

Practical politics is, to a large extent, associated with myths, if by myths one has in mind the disturbance by those in power of people's concepts of reality. Peace researcher Jan Øberg uses this very definition as his point of departure in his book "Myths on Our Security," with the subtitle "A Criticism of the Danish Defense Policy in Development Perspective."

Most of the 300 pages of the book consist of a thoroughly analysed, thoroughly reasoned substantiation of his claim that, for 30 years, the Danish security and defense policy has been, and still remains, a vast accumulation of myths. The author, however, does not find that it is too late to change the erroneous thinking, neither in respect of the narrow Danish perspective, nor in respect of the global perspective--that which, in actual fact, is a question of survival. The survival of humanity. Nothing less than that.

Allow me to point out right away that the book is indispensable to everybody who finds that the connection between unchecked armaments and a wrong civilian development is the most urgent problem of our time, overshadowing every other threat of disaster. In an elegant, didactic style, the book provides the amount of concrete facts and political, social and cultural perspectives which 3 decades of Danish security debate have been lacking.

Jan Øberg's ability to collect and analyze concrete information from all fields within the defense spectrum ought to impress even the most inveterate military person.

With ingenuity, the author avoids succumbing to producing dogmas himself, the very reason being that, persistently and consistently, he provides instances in support of his claims.

This applies, at any rate, to five-sixths of the book. For, in the last three chapters, Jan Øberg leaves behind documentary argumentation and proceeds to philosophize about a different world society--"the post-violent, peace-furthering society, local as well as global," as the author himself puts it. He takes a brave leap from the role of the committed social critic to that of the fantasizing utopian.

Øberg develops a series of visions on how to abolish the conflict-creating national states and replacing them by peace-furthering "world authorities," whose task it will be to control the "joint affairs" of mankind. He imagines the future world built up of small societies, not exceeding 75,000 inhabitants, organized in self-supporting and self-governing units. "Fundamentally, this philosophy on development, society, and security is based on consideration of the objective limitations of nature, man and culture," it says in the book.

Of course, such an attempt at new thinking is quite fascinating and captivating. It is a question, however, whether such fantasizing belongs in a book of this nature. Øberg stretches his attempts at developing new ideas and alternative models of society to the very point where his own arguments boomerang. A critic will be justified in claiming that Øberg is utopian far beyond what is politically feasible. The peace movement to which he has dedicated the book will probably miss far more concrete "on the spot" initiatives for actual disarmament and relaxation to replace the unsuccessful attempts which have been displayed.

The author skips a number of intermediate stages. The stages which, step by step, could lead to both liquidation of the nuclear arms production and an altered social, political and economic world order (not to be confused with the already formulated "new economic world order," which Øberg refers to as a neoimperialistic rejuvenation treatment for the existing unequal world order).

The lack of these intermediate stages might, of course, be ascribed to Øberg not being a practical politician but a revolutionary Marxist philosopher. However, that is not the case. He discards both liberalism and Marxism, referring to both ideologies as "two versions of the message of the West, and they belong to the center countries, though each with its own faction. They divide the idea of development into stages, control of nature, growth, materialism, big units, centralization, and the significance of elites (the capitalist and the revolutionary vanguard/party leader), and, in their practical realization around the world they display a number of problems in respect of economic and political needs and rights, in respect of alienation and in respect of militarism." (p 290).

We are thus left with the possibility that, in formulating his visions, Øberg wants to inspire and bring populations and movements to undertake more practical policy actions at the present. He points out that the very absence of vision has a paralyzing effect on actions: "In the present situation, it is a matter of serious concern that so few political, research and cultural

movements are concerned with constructive, relevant utopias--compared with endless reports and descriptions of the abyss and the crisis, which only prolong the present tendencies. It creates apathy and alienation. The problem seems to be that the social imagination is being clipped in the profoundly materialistic society (p 317).

Finally, the objection may be raised against Øberg's visions of a future peaceful world society that such a society certainly is not without problems either. He recognizes that in the Utopia where fighting national states have been replaced by world authorities which safeguard the common affairs of mankind, social control will, of course, be necessary. "On the global level, it will be carried out by the world authorities--for example, a global police force which on behalf of the collective may intervene in local conflicts." Well, but who is to define the interests of the collective in a world society composed of hundreds of thousands of independent self-governing units? Øberg, moreover, overlooks the danger of global authorities becoming tools of a new type of superpower control.

In the chapters of the book in which Øberg devotes himself to philosophy and fantasy, he occasionally touches on subjects which ought to belong to his next volume--on social alternatives. However, the chapters are but a small part of the total work, and, for that reason, the objections on the part of the reviewer should be regarded only as a modest criticism of the book. (Incidentally, Jnn Øberg has announced a coming volume on the very alternatives.)

The few critical remarks on Øberg's visions of the future must and will have to be accompanied by a wholehearted recognition of the efforts which Øberg has put into his work on this book.

His thoroughness in collecting facts, his ability to test the official figures, claims and doctrines for both the Danish and international military are unique and outstanding. Øberg undermines decades of one-sided and deceitful defense propaganda, especially with regard to the discussion on the relative strengths of the East and West blocs. Here, and rightly so, he includes the economic potentials as essential elements of the total "strength" of the West and NATO, whereby the Warsaw Pact inevitably becomes dwarfish. He points out that the total foreign trade of the Soviet Union is only twice as big as that of Sweden and rightly asks: Is the Soviet Union an economic superpower?

The book is interlarded with detailed notes, references to sources and quotations which consistently serve to support the author's analyses with the development perspective as both a methodical and political point of departure. A pedagogical example:

In the beginning of his book, Øberg undertakes a small intellectual experiment. Throughout the seventies, Denmark spent a total of approximately 50 billion kroner on its military defense. This amount corresponds to what it would cost to save the majority of the victims in the Third World from malnutrition, to make a special contribution to combat women's illiteracy in the Third World, to undertake local health programs in the agricultural areas around the world, and to vaccinate the 15 million children who each year succumb to diseases which we have eliminated in this country a long time ago.

Dogmas? No, for Øberg continues:

"Of course, we cannot suddenly abolish the defense system and give the savings to those who suffer in the underdeveloped part of the world. But the connections between development and security and between Denmark and the rest of the world nevertheless have to be shown. If, in 1981, Denmark decided on a defense program where instead of giving the defense 3 percent more in fixed prices for each year until 1990 we would cut the defense expenditures by 3 percent, we would have released nearly 20 billion kroner in 1990 (measured in terms of the present price level). Imagine what could be accomplished for 50 billion kroner!"

But this is not practical politics--practical politics is tied to myths. The main argument against it would be: A beautiful idea, but, first, we cannot, of course, jeopardize our own security and, second, we are, of course, not to blame for the misery in the Third World.

If we carried through the said cut in the defense expenditure, we would in 1990 have a budget of the same size as the one we had in the early seventies. Was that an especially dangerous time? Did we decisively jeopardize our security at the time?" The quotation illustrates the large number of important causalities which Øberg links together throughout his book.

"Myths on Our Security" is bound to become the hitherto most important total contribution to the Danish security debate in the eighties.

What popular and political effects the book will have is difficult to predict, but one thing can be established: the generals have an uncertain future before them.

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## COMMANDER OF GENERAL STAFF URGES BUILDUP IN SOUTH

Helsinki UUSI SUOMI in Finnish 8 Feb 81 p 34

[Interview with Lieutenant General Ermei Kanninen by Tuomas Keskinen, date and place not given]

[Text] Ermei Kanninen is by profession a soldier, by rank a lieutenant general and chief of the general staff, and by reputation a tough man. He does not avoid direct questions.

It is time to leave Mannerheim to his well-deserved glory and return to everyday tasks even in the defense forces. Its leading organ, the general staff, recently completed its 63rd year.

The general staff is a planning organ, always ready for actions it hopes it does not have to take. Lieutenant General Ermei Kanninen has acted as chief of the general staff for 3 years already. He is the second ranking individual in the defense forces directly after General Lauri Sutela.

The general staff constitutes a headquarters under the Ministry of Defense and possesses a lot of power in its own area of competency. In military matters the commander of the defense forces is directly under the president, the commander in chief. The task of the Ministry of Defense is to promote the army's cause there where decisions about money are made and to create the necessary conditions for the military defense of the country.

The task of the general staff is to plan and prepare for all possibilities:

"The most important work of the staff is to assess the kind of crises that can arise. Alternatives must be presented to the decisionmakers," states Ermei Kanninen.

[Question] Do generals always wage a previous war or are they able to dissociate themselves from them?

[Answer] Naturally, after the war our tactical decisions were based on experiences from the previous war. Now the generals of those wars can ask whether we have become too far removed from those experiences.

The general staff itself must be ready for crises. Its organization is ready, only the number of personnel will have to be increased during a crisis and the emphasis of various functions would change.

[Question] The general staff is now primarily located in the center of Helsinki, on Kaarti block on Makasiini Street. Where would it operate during a crisis?

[Answer] Somewhere else. Of course, preparations have been made.

[Question] Deep in a mountainside?

[Answer] All of it cannot be there. Indeed protected places have been provided.

#### A Look Toward Lapland

Ermei Kanninen is considered to be the creator of the regional defense system. He himself considers it to be the result of a group effort. He is satisfied with the actual system. It is adapted to Finland's low level of defense expenditures, our country's terrain and climate, and thus serves the totality of our security policies. The system's basic idea lies in the fact that defense against an aggressor will take place within our own borders, the aggressor will be worn down, its mobility will be impeded, and eventually its forces will be defeated.

"Soldiers must be able to decide in which direction the battle can be fought within a depth of many kilometers, and there will also be areas in which one must enter into a classic defense when it no longer becomes possible to give up anymore area," assessed Kanninen.

Lapland is now the military's primary point of consideration.

"When one examines Finnish Lapland's road network, there is not such a soldier who has not come to all kinds of conclusions about it."

[Question] Is the road network "too good?"

[Answer] From the military point of view it is indeed too good compared to that of Sweden. There no single road crosses the northernmost parts of the country.

[Question] Are Sweden's roads planned with military considerations in mind?

[Answer] Possibly, but geographical conditions there are completely different. We military men also follow social development and appreciate the fact that living conditions for the people of Lapland must be improved. Indeed these wars do not occur too frequently. Hopefully there will be no more wars.

The number of troops in Lapland have been increased at a steady rate. Sodankyla will become the site of a light infantry brigade and a flight detachment and anti-aircraft defense will be located in Rovaniemi. In addition to this, a brigade and an antiaircraft defense will be situated in Oulu as well as a brigade in Kajaani. According to Kanninen at this time nothing new is being planned. But:

"More and more recurrent exercises will have to be arranged in Lapland. The area's own population is decreasing, sad indeed. Since the area's military importance has increased, preparation for the defense of Lapland must be provided for by troops from other parts of Finland. The conditions there are so different from elsewhere in the country that recurrent exercises there must be increased," states Ermei Kanninen.

Because of the camp at Novajarvi, nearly every gunner has become familiar with conditions in Lapland. Now more and more reservists are being sent there for training and exercises.

General Kanninen declares himself to be a supporter of the developing areas policy in the sense that Lapland's population should be kept at as high a level as possible. On the other hand, he is not overly enthusiastic about the fortification of the area to an extensive degree: it is expensive and its significance is presently questionable. He also mentions environmental considerations. However, the fortification of certain individual sites will always be of importance.

#### Their Own Philosophy

[Question] How does the Finnish military man feel about the accusations of his Norwegian colleagues that Finland and Lapland in particular are a military vacuum?

[Answer] Recently there have been no accusations presented in Norway that Northern Finland is a military vacuum. The situation is thus changing.

It is not merely a question of how many troops and garrisons are located in Lapland during peacetime, but it is also a question of how quickly troops and equipment can be moved there. Norway has only one discontinuous highway from the south to the north, but we have at least three or four continuous highways.

Everyone looks at these issues from the basis of how they are seen in their own country.

[Question] Thus only Finland is able to move troops efficiently in the Arctic area?

[Answer] We have the best connections. They are both a benefit as well as a detriment. If there were not so many roads, we would not need so many troops.

[Question] It is argued that Norway does not intend to defend its northernmost area, Pinnmark, in the event of a military crisis?

[Answer] No comment. They have troops stationed there for some purpose. They have their own philosophy.

#### The Front Door Is Not Open

[Question] Everywhere Finland has moved its troop units toward the north. Does the front door, southern Finland, now remain open?

[Answer] No. Even in peacetime there are troops in southern Finland and mobilization alone does not resolve the issue.

After Lapland the southern coast is the second most important point of emphasis, states General Kanninen. The majority of the population and commercial and administrative centers are located there. Preparations must be made for their defense, he assures us. And defense is adequate to the degree that we have been provided resources. However, there is still much to be done, the work does not cease. As examples it is pointed out that coastal artillery is being developed in southern and southwestern Finland. The renewal of longer distance equipment has not yet been resolved. The artillery is to be replaced with missiles.

[Question] And what about Ahvenanmaa (Aland Islands), at one time much was said about them, but nothing for a long time?

[Answer] It is a demilitarized area. It is a small vacuum, but we are responsible for it. We must prepare for its defense by all possible means. The Aland Archipelago is one area in an independent Finland.

[Question] Plans have been compiled?

[Answer] Yes. It is only a question of how quickly we are able to act.

[Question] The Aland Archipelago has no compulsory military service or fortifications. If worse comes to worst, troops will have to be transferred from somewhere else?

[Answer] It is a question of transportation as well as how quickly a defense can be established if it becomes necessary.

But if anyone is thinking about threatening the Aland Archipelago, one must remember that the Northern Baltic is to a certain degree pacified in comparison with World War II. The emphasis of military alliances has been on the Southern Baltic. On the other hand, nothing radical has occurred from a military technical point of view, states General Kanninen.

#### A Large Army

A large army, 700,000 men including reservists, has been planned for Finland. In proportion to the population it is perhaps one of the world's largest. Sweden, which has twice as many people, will mobilize an army of 900,000 men if it becomes necessary.

Lieutenant General Kanninen, one of the creators of our system, emphasizes that the system is flexible, and the flexible use of reservists is part of the plan.

[Question] Are we saving in costs, but losing in men?

[Answer] This is a classic misunderstanding. It is with this very regional defense system that we are attempting to save lives since it is a dispersed system.

We do not have assembled a massive army. To attack such a system is extremely difficult. We have considered those possibilities by which it could be eliminated. A possible aggressor would require vast numbers of troops.

[Question] Are the Finnish people inclined to support national defense at this time?

[Answer] Yes, they are so inclined. All the studies indicate that the people want this country to continue to be free and independent. If it becomes necessary, the Finns are also ready to defend their country.

#### A Statutory Task

[Question] NATO's General Secretary Joseph Luns made a promise on Finnish television that Cruise missiles will not be deployed, for example, in Finnish airspace. Can such a promise be trusted?

[Answer] One must be realistic and say that the situation will become clear only in a war, and the decisions will be made by the commanders on the scene at that time.

Naturally, we hope that it is possible to trust in such a promise and that it is based on realistic planning. But in this world soldiers have always been taught to prepare for the worst. We cannot assume that when someone says something we will cease the defense planning of that sector.

On another day comes Luns' successor or the leadership of a country above him in the hierarchy changes strategy.

We have a statutory obligation to be responsible for the defense of this nation. If the political leadership says that we are not to prepare for such an alternative, only then will we soldiers abandon this possibility.

[Question] The Cruise missile is a low-flying unmanned aircraft, states Ermei Kan-ninen. In a flyover it would violate Finnish airspace unlike the intercontinental missiles, which fly at higher altitudes. Is Finland making preparations for repelling the Cruise missile?

[Answer] Yes. It is important that we sight the Cruise missile in time so that we can set up an antimissile defense.

[Question] And what if the Cruise missiles are not deployed or if they are not even manufactured?

[Answer] Let us hope so. But technical development is so rapid that we can hardly be so optimistic.

[Question] Finland has the YVA [Friendship, Cooperation, and Mutual Aid] Agreement, which is also a military agreement. Is Finland able to carry out this agreement, does the Soviet Union trust in our ability?

[Answer] I believe that the Soviet Union is confident that we will do our best to defend Finland. An example of this is the suitable and current sales of military materials to our defense forces.

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DETAILS ON AWARDING OF RIFLE MANUFACTURING CONTRACT

Paris LE NOUVEL ECONOMISTE in French 16 Mar 81 p 67

[Article by Philippe Gazier: "The 100,000 Rifles of Manurhin"]

[Text] The protests of the union members of MAS, the weapons manufacture of Saint Etienne, will not change a thing. The government has made its decision: the manufacturing monopoly for the new French assault rifle (the FAMAS\* or "Clairon") will not fall into the hands of the long-established Saint Etienne gun manufacture which has since become one of the ten establishments of the GIAT group (Groupement industriel des armements terrestres, or Industrial Group for Ground Weaponry).

Having a shape all its own, without butt but endowed with a gun barrel as long as the one of its foreign competitors, the FAMAS which is capable of shooting both 5.56 mm bullets and grenades is an entirely new rifle, conceived and perfected at Saint Etienne (with credits that had been grudgingly granted and therefore spread out in time).

Mass produced since mid-1979, this worthy follower of the MAS 36 and MAS 39 has already been given as equipment to the overseas operation forces and to the army schools, some commando units and recently to the Republican Guard. This is why it appeared for the first time in the courtyard of the Elysee last week in the ceremony honoring Hassan II. Eventually all the French Armed Forces will have to be equipped with it. This represents a market of 400,000 assault rifles.

The Saint Etienne plant produces some 4,000 FAMAS per month at the present time. And the National Defense budget approved for 1981 has projected an order of 4,000 of these assault rifles, to be delivered in 1983. But last fall the head of state decided to accelerate the fabrication tempo and bring up the production capacity to 10,000 per month. The industrial capacity of Saint Etienne, however, does not allow for more than 7,000 FAMAS per month. The launching of a second production chain therefore has become necessary, especially as the gun has raised great hopes of export. It has registered a certain amount of success every time that it has been shown to foreign visitors: for instance, two years ago at the Satory expo,

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\* FAMAS: Fusil automatique de la Manufacture nationale d'armes de Saint Etienne, or Automatic Rifle produced by the Saint Etienne National Gun Manufacture.

last year at the Bourget Salon Naval, etc. Its price is pretty high: more than 6,000 francs per rifle but this apparently would not compromise its career as an export item.

It remains to be seen where this second production chain is going to be installed. The decision has not yet been announced but the public authorities are most concerned with diversifying their supply sources. The question of doubling production at Saint Etienne is out. They are going to take advantage of the opportunity to set up a public-private competition and give a chance to Manurhin at Mulhouse, which two years ago has become a component of the private group MATRA. "This is a true provocation," according to the union members of CFDT, CGT, FO and CGC of the MAS plant. Hence the strike of last Wednesday which was honored by almost 93 percent of the personnel of the manufacturing plant.

But the game seems already done. Out of the 400,000 rifles, 300,000 will thus be produced at Saint Etienne and 100,000 at Mulhouse together with part of the orders that maybe will come from export. As early as February 1984 the production of Manurhin will be 3,000 rifles per month. The enterprise would calculate its prices on the basis of a production volume clearly higher than the 100,000 units ordered by the state. Thus, the hopes of export will allow for a reduction in the price of the state purchases.

#### Advantage

But why Manurhin? As soon as the government had decided upon setting up a public-private competition, the number of pretenders would forcibly be limited. Only two groups of private manufacturers are capable of mass producing the new assault rifle, the Gevelot-Gevarm group and Manurhin. And the latter has a clear edge since the Mulhouse plant of the MATRA group already has a modern production line, the rifles of the Blue Helmets (not counting the fabrication of the Walther pistols).

If everything goes according to plan we will be able to see at the next Satory expo the Ciairon exhibited in three different stands, the GIAT, the Manurhin and the MATRA stands. It seems that the last two are in front of each other. The group spirit makes it a must.

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